THE MARKETING PLAN FOR CDMA (HUTCH) IN THAILAND

by

Ms. Niphaphan Sathapanukoon

A Final Report of the Three-Credit Course
CE 6998 Project

Submitted in Partial Fulfillment
of the Requirements for the Degree of
Master of Science
in Computer and Engineering Management
Assumption University

July 2003

THE MARKETING PLAN FOR CDMA (HUTCH) IN THAILAND

by
Ms. Niphaphan Sathapanukoon

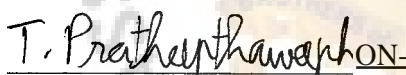A Final Report of the Three-Credit Course
CE 6998 Project

Submitted in Partial Fulfillment
of the Requirements for the Degree of
Master of Science
in Computer and Engineering Management
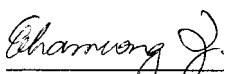Assumption University

July 2003

Project Title	The Marketing Plan for CDMA (Hutch) in Thailand
Name	Ms. Niphaphan Sathapanukoon
Project Advisor	Dr. Thanatphong Pratheepthaweephon
Academic Year	July 2003

The Graduate School of Assumption University has approved this final report of the three-credit course, CE 6998 PROJECT, submitted in partial fulfillment of the requirements for the degree of Master of Science in Computer and Engineering Management.

Approval Committee:

T. Pratheepthaweephon-
(Dr. Thanatphon: Pratheepthaweephon)
Advisor

_S. C-_
(Prof.Dr. Srisakdi Charmonman)
Chairman

Chamnong J.
(Dr. Chamnong Jungt trapanich)
Dean and Co-advisor

L-1
(Assoc.Prof. Somchai Thayamyong)
MUA Representative

July 2003

ABSTRACT

This project presents marketing plan for Hutchison CAT Wireless MultiMedia Co., Ltd. (HCWML) in Thailand. The scope of this study project is based on the detailed activities of the year 2003 and a brief idea of what we plan in the next 5 years. The study begins with a literature review on marketing philosophies and competitive Analysis of HCWML. The objective of this project is to analyze products and services offered by Hutchison CAT Wireless Multimedia, and design marketing plan for the company, which includes a short term, and a long-term plan.

The study begins with a literature review on marketing philosophies and competitive analysis of Hutch. The plan has two phases. The first covers the first year; that is all marketing strategies. The second covers the second to fifth year. This phase covers, all products that can increase in market share. The evaluation will need to control and monitor marketing activities accurately and satisfactorily.

After the plan started, they should monitor and control the sales volumes. They should keep track of monthly and quarterly deviation of actual sales from projected sales. The result of evaluation can suggest that the marketing plan perform accurately and satisfactorily and then find ways to return sales back on track. There is a contingency plan if the suggested marketing plan is not successful. However, we believe that this plan will be successful. If the plan proposed here is implemented, the results will be an increase in turnover, unit sales, and brand awareness.

ACKNOWLEDGEMENTS

Without the encouragement and support from many people and institutes, this project cannot be accomplished. I hereby would like to take this opportunity to express my deepest gratitude to all that have contributed to this study.

I wish to express my sincere gratitude to Dr. Thanatphong Pratheepthaweephon, my advisor of my project committee, for his invaluable guidance, kindness and time devotion throughout the period of study.

Sincere recognition also goes to the staff of graduate office for their kindness and helpfulness.

My profound gratitude is expressed to my beloved family for their love, care, understanding, and great sacrifice throughout my life.

Nevertheless, I am the only person who takes full responsibility for all mistakes and ambiguities, which remain in this project.

TABLE OF CONTENTS

LIST OF TABLES

I. INTRODUCTION

1.1 Background

The world's first cellular networks were introduced in the early 1980s, using analog radio transmission technologies such as AMPS (Advanced Mobile Phone System). Within a few years, cellular systems began to hit a capacity ceiling as millions of new subscribers signed up for service, demanding more and more airtime. Dropped calls and network busy signals became common in many areas.

To accommodate more traffic within a limited amount of radio spectrum, the industry developed a new set of digital wireless technologies called 1DMA (Time Division Multiple Access) and GSM (Global System for Mobile). IDMA and GSM used a time-sharing protocol to provide three to four times more capacity than analog systems. But just as TDMA was being standardized, an even better solution was found in CDMA (Code Division Multiple Access).

Commercial Development

The founders of Qualcomm realized that CDMA technology could be used in commercial cellular communications to make even better use of the radio spectrum than other technologies. They developed the key advances that made CDMA suitable for cellular, then demonstrated a working prototype and began to license the technology to telecom equipment manufacturers.

The first CDMA networks were commercially launched in 1995, and provided roughly 10 times more capacity than analog networks - far more than TDMA or GSM. Since then, CDMA has become the fastest growing of all wireless technologies, with over 100 million subscribers worldwide. In addition to supporting more traffic, CDMA brings many other benefits to carriers and consumers, including better voice quality, broader coverage and stronger security.

CDMA Deployments

CDMA is the fastest growing wireless technology and it will continue to grow at a faster pace than any other technology. It is the platform on which 2G and 3G advanced services are built. The CDMA air interface is used in both 2G and 3G networks. 2G CDMA standards are branded cdmaOne and include IS-95A and IS-95B. CDMA is the foundation for 3G services: the two dominant IMT-2000 standards, CDMA2000 and WCDMA, are based on CDMA.

First to 3G with CDMA2000

Because CDMA2000 is evolved directly from the previous generation of proven CDMA systems, it provides the fastest, easiest, most cost-effective path to 3G services. While all 3G technologies (CDMA2000, WCDMA and TD-SCDMA) may be viable, CDMA2000 is much further ahead in terms of product development, commercial deployment and market acceptance.

The first commercial CDMA2000 networks were launched in South Korea in early 2001, and are already providing service to over one million paying subscribers (as of September 2001), with much larger numbers expected in late 2001 and 2002. A large and growing range of CDMA2000 chipsets, handsets and network infrastructure systems are now in volume production and gaining economies of scale, as many more North American, Latin American and Japanese carriers plan to roll out CDMA2000 services in 2002.

CDMA2000 builds on an installed base of over 100 million cdmaOne users, leveraging previous investments and industry-wide expertise in developing cdmaOne handsets. Other 3G technologies, which are radically different from previous generations, may involve very costly and complex components, new network designs and long test and deployment periods. Qualcomm believes the proven performance and

2

cost-effectiveness of CDMA2000 make it the best choice for 3G wireless systems. At the same time, the Company is supporting the industry with other solutions for WCDMA and multi-mode systems that will bridge the gaps between various 2G, 2.5G and 3G networks.

CDMA2000: Leads the 3G Revolutions

CDMA2000 represents a family of ITU-approved, IMT-2000 (3G) standards and includes CDMA2000 1X and CDMA2000 NEV technologies. They deliver increased network capacity to meet growing demand for wireless services and high-speed data services. CDMA2000 1X was the world's first 3G technology commercially deployed (October 2000).

CDMA2000 1X for Voice and Data

CDMA2000 1X technology supports both voice and data services over a standard (1X) CDMA channel, and provides many performance advantages over other technologies. First, it provides up to twice the capacity of earlier CDMA systems (with even bigger gains over TDMA and GSM), helping to accommodate the continuing growth of voice services as well as new wireless Internet services. Second, it provides peak data rates of up to 153 kbps (and up to 307 kbps in the future), without sacrificing voice capacity for data capabilities.

CDMA2000 1X phones also feature longer standby times. And because it's backwards compatible with earlier CDMA technology, CDMA2000 1X provides an easy and affordable upgrade path for both carriers and consumers.

CDMA2000 1xEV-DO for Faster Data

For those who want higher-speed or higher capacity data services, a data-optimized version of CDMA2000 called 1xEV-DO provides peak rates of over 2 Mbps, with an average throughput of over 700 kbps - comparable to wire line DSL services

and fast enough to support even demanding applications such as streaming video and large file downloads. CDMA2000 NEV-DO also delivers data for the lowest cost per megabyte, an increasingly important factor as wireless Internet use grows in popularity. NEV-DO devices will provide "always-on" packet data connections, helping to make wireless access simpler, faster and more useful than ever.

After conducting field trials, several carriers have announced plans to commercially deploy NEV-DO in 2002. By combining 1X and NEV-DO as needed, CDMA2000 provides a flexible, integrated solution that maximizes capacity and throughput for both voice and data.

Therefore, researching and analyzing the implementation of CDMA's marketing strategy that will somehow, gain a more competitive advantage over GSM.

1.2 Objective

This project is conducted to find out the solution to Hutchison CAT Wireless MultiMedia Co., Ltd. (HCWML)'s problem in Thailand and come up with the marketing plan related to it. The plan is to analyze products and services offered by Hutchison CAT Wireless Multimedia. It includes a short term and a long-term plan.

1.3 Scope

The scope of the marketing project covers Hutchison CAT Wireless MultiMedia Co., Ltd. (HCWML) marketing plan in Thailand. The plan will include detail activities of the year 2003 and a brief idea of what we plan in the next 5 years. The limitations of this project are time and data constraints.

II. LITERATURE REVIEW

2.1 Marketing Philosophies

Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals. Coping with exchange processes calls for a considerable amount of work and skill. Marketing management takes place when at least one party to a potential exchange thinks about the means of achieving desired responses from other parties. We see marketing management as the art and science of choosing target market and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value. (Kotler 2003)

Core Marketing Concepts

Marketing can be further understood by defining several of its core concepts. Target Markets and Segmentation. A marketer can rarely satisfy everyone in a market. Not everyone likes the same soft drink, hotel room, restaurant, automobile, college, and movie. Therefore, marketers start by dividing up the market. They identify and profile distinct groups of buyers who might prefer or require varying product and services mixes. Examining demographic, psycho graphic, and behavioral differences among buyers can identify Market Segmentation. The marketer then decides which segments present the greatest opportunity that are its target markets For each chosen target market, the firm develops a market offering. The offering is positioned in the minds of the target buyers as delivering some central benefits. (Kotler 2003)

Traditionally, a "market" was a physical place where buyers and sellers gathered to buy and sell goods. Economists now describe a market as a collection of buyers and sellers who transact over a particular product or product class (the housing market or grain market); but marketers view the sellers as constituting the industry and the buyers

as constituting the market. Sellers and buyers are connected by four flows. The sellers send goods and services and communications (ads, direct mail) to the market; in return they receive money and information (attitudes sales data). The inner loop shows an exchange of money for goods and services; the outer loop shows an exchange of information. (Kotler 2003)

Target Markets

Marketing plans ultimately lead to marketing programs based on the marketing mix. If the plan is to be successful in this respect, it must be based on a clear target market strategy and emphasize any advantages over competitors. Having analyzed the market, the business must therefore turn its improved understanding of the market's activities and requirements into a clear strategy statement. This, essentially, involves identifying the markets to target, any differential advantages for the business's products, and the required product or service positioning. (Dibb, Simkin, and Bradley 1996)

Market Segmentation

A proper understanding of the varying needs and requirements of different customers is fundamental to the principles of marketing. Although companies may recognize the breadth of such needs it is unrealistic to customize products to suit each individual, unless concentrating on a niche market. Moving away from mass marketing or, at the other extreme, bespoke customized services, towards a market segmentation approach where the focus is on a particular group (or groups) of customers, is an increasingly popular way of dealing with this diversity of needs. Additionally, by adopting a different segmentation approach than rivals, a business can gain an edge over competitors in servicing targeted customers' needs. (Dibb, Simkin, and Bradley 1996)

Many companies believe that marketing success is linked to how effectively their customer base is segmented. This is because market segmentation allows companies to

go some of the way towards satisfying diverse customer needs while maintaining certain scale economies. The process begins by grouping together customers with similar requirements and buying characteristics. Next, the organization can select the groups on which to target its sales, marketing and brands. A marketing program can then be designed to cater for the specific requirements and characteristics of the targeted groups or segments of customers. This marketing program will aim to position the product, brand or service directly at the targeted consumers. Such positioning will take into consideration the offerings of competing organizations within the same segment. (Dibb, Simkin, and Bradley 1996)

The benefits that a market segmentation approach offers are many and varied. These benefits include a better understanding of customer needs and wants, which can lead to more carefully tuned and effective marketing programs; greater insight into the competitive situation, which assists in the identification and maintenance of a differential advantage; and more effective resource allocation. Rarely is it realistic to target 100 per cent of a market, so focusing on certain segments allows organizations to make efficient use of their resources. (Dibb, Simkin, and Bradley 1996)

Carrying out Segmentation

Carrying out segmentation, the stage where customers are aggregated into groups, involves two basic steps: (Dibb, Simkin, and Bradley 1996)

(1) Segmentation variables (also called base variables) are used to group together customers who demonstrate similar product requirements. When choosing appropriate segmentation bases it is necessary to select those that clearly distinguish between different product requirements.

Probably the most popular industrial or business-to-business segmentation bases include:

(a)   Geographic location

(b)   Type of organization

(c)   Trade category

(d)   Customer size/characteristics

(e)   Customers' business sectors

(f)   Product-related features:

  (1)   Purchase behavior

  (2)   Purchase occasion

  (3)   Benefits sought from having the product

  (4)   Consumption behavior

  (5)   Attitude to product/service

A common approach is to link geographic territory with customers' industrial sector.

Please bear in mind that choosing segmentation bases is a fairly subjective process, so it is rarely possible to categorically assert that there is one best way to segment a particular market. However, it is essential that the variables chosen do break down customer needs in a meaningful way.

In consumer markets, companies used to break down customers by income, age and social class. Increasingly, consumer marketers look to additional information, such as customers' perceptions of the benefits attained from purchasing a product, their usage behavior, and motivation.

(2) Once segments have been identified using one or a combination of the base variables above, as much as possible must be done to understand the characteristics of the customers in those segments. This understanding will make it easier for the marketer to design a marketing program that will

8

appeal to the segment targeted. Building up a fuller picture of the segments is called profiling and uses descriptor variables. Descriptors can include variables relating to customer characteristics or product-related behavioral variables.

Sometimes people find the distinction between base and descriptor variables confusing. Just remember that base variables are used first to allocate customers to segments while descriptors help later in building up a profile of segment membership.

Essential Qualities for Effective Segments

As has been stated, there is rarely one right way to segment a market, but there are some criteria that can help to decide on the robustness of a particular approach. Before implementing a segmentation scheme, check that the segments satisfy the following conditions: (Dibb, Simkin, and Bradley 1996)

(1) Measurable: it must be possible to delimit, measure and assess the segments for market potential.

(2) Substantial: in order to warrant marketing activity, the identified segment must be large enough to be viable and therefore worthwhile targeting with products/services. Separate businesses will have different views as to viable size.

(3) Accessible: having identified a market segment, and checked its potential viability, the marketer must be able to action a marketing program with a finely developed marketing mix for targeted customers. Sometimes the similarities between customers are not sufficient to implement full marketing programs.

(4)   Stable: there must be an assessment of a segment's short, medium and long-term viability, particularly in the light of competitor and marketing environment changes. Segments rarely remain the same over time, so it is necessary to weigh up the extent and impact of likely changes.

Targeting

Once segments have been identified, decisions about how many and which customer groups to target must be made. The options include: (Dibb, Simkin, and Bradley 1996)

(1)   Mass marketing strategy: offering one product concept to most of the market, across many market segments. Although scale economies can be achieved, there is the risk that few customers will be adequately satisfied.

(2)   Single segment strategy: concentrating on a single segment with one product concept. This is relatively cheap in resources, but very risky if the segment should fail.

(3)   Multi-segment strategy: targeting a different product concept at each of a number of segments. Although this approach can spread the risk of being over committed in one area, it can be extremely resource hungry. This is the most common approach in most businesses, but within a specific profit center it would normally be better to focus on just one or two segments.

Which target market strategy a company adopts will depend on a host of market, product and competitive factors. Each of these must be carefully considered before a decision is made about segments to be targeted. Before making a commitment to any segment it is essential to consider the following issues: (Dibb, Simkin, and Bradley 1996)

(1)   Existing market share/market homogeneity: How similar is the market to current areas of activity and does the business have market share or brand awareness in related areas on which it can build?

(2)   Product homogeneity: Does the business have relevant expertise on which to build in a related product field, with associated economies of scope? A company-developing computer based manufacturing systems will have expertise that is transferable across a number of industries.

(3)   Nature of competitive environment: What is the level of competition in the market and how is this changing over time?

(4)   Customer needs: How extreme/easy to satisfy are customer requirements?

(5)   Segment size, structure and future potential: How big is the segment or market, how is it made up and how is it likely to develop in the future? How will aspects of the marketing environment impact on sales potential? The environmental movement has caused a massive expansion to certain markets and a dampening effect in others.

(6)   Company resources: Does the business have the resources to target the segment under consideration? Inevitably, there will be tough decisions to make in terms of how resources are allocated among existing and new segments.

Taking a balanced view of these factors helps companies make decisions about the viability of particular segments and ensures that resources are appropriately targeted.

Marketing Channels

To reach a target market, the marketer uses three kinds of marketing channels. Communication channels deliver and receive messages from target buyers, and include newspapers, magazines, radio, television, mail, telephone, billboards, posters, fliers,

CDs, audiotapes, and the Internet. Beyond these, facial expressions and clothing, the look of retail stores, and many other media convey communications. Marketers are increasingly adding dialogue channels (e-mail and toll-free numbers) to counterbalance the more normal monologue channels (such as ads). (Kotler 2003)

The marketer uses distribution channels to display, sell, or deliver the physical product or services to the buyer or user. They include distributors, wholesalers, retailers, and agents. (Kotler 2003)

Marketers clearly face a design problem in choosing the best mix to communication, distribution, and service channels for their orderings. (Kotler 2003)

SWOT Analysis: Strengths, Weaknesses, Opportunities and Threats

The SWOT (sometimes referred to as TOWS) analysis is one of the most commonly implemented analyses in marketing, as well as in other disciplines such as Total Quality Management (TQM). The aim of this analysis is to summarize the business's strengths and weaknesses in relation to the competition and highlight external factors that are impacting upon the market's performance. (Dibb, Simkin, and Bradley 1996)

Strengths and weaknesses are issues internal to an organization, while opportunities and threats relate to external aspects of the marketplace (many of which stern from an analysis of the marketing environment). Marketing planning is littered with it through out and irrelevant SWOT analyses. In some respects this is the price paid for the simplicity of the analysis. It is therefore important that the SWOT is not merely a collection of managers' hunches. It must be based on objective facts and on marketing research findings. The SWOT analysis should: (Dibb, Simkin, and Bradley 1996)

(1)   Focus on the most crucial "hot" issues.

(2)   Be relative to the strongest competitors in a particular market.

The SWOT gives a clear picture of the business's situation and where action is required to maximize opportunities and minimize threats and weaknesses. (Dibb, Simkin, and Bradley 1996)

A SWOT analysis can be used in a number of different ways by businesses. Many organizations undertake the analysis for each of the markets in which they operate. Some businesses also find it helpful to produce SWOT grids for each leading competitor. This helps reveal the companies' relative strengths and weaknesses and ability to face the identified threats and opportunities. The SWOT analysis provides instructions for preparing effective, tightly focused analyses. (Dibb, Simkin, and Bradley 1996)

Effective SWOT Analysis

The SWOT is one of simplest and most widely used of marketing analyses. An effective SWOT should provide a succinct, interesting and readable summary of the state of the business and the external factors and trends impacting upon it. The reader should be left with little doubt about the state of the market, the business's orientation towards it and within it. In order to achieve this information contained within the SWOT should be comprehensive, relevant and specific. A useful test of an effective SWOT is whether the analysis has clear implications for the business's future sense of direction. (Dibb, Simkin, and Bradley 1996)

Unfortunately, despite the many benefits which SWOT analysis offers, all too often the inherent simplicity of the technique is also its undoing and can lead to output that is vague, confused, irrelevant and lacking direction. The following pointers should be followed to avoid some of these pitfalls. (Dibb, Simkin, and Bradley 1996)

(1) Make the SWOT as focused as possible. For example, the business may decide to develop the analysis at the level of the customer segment,

geographic territory or even the product. Once a decision about the focus

has been reached, only incorporate information that is directly relevant.

(2) Strengths and Weaknesses must reflect the position of the business in

relation to competing organizations. A strength is only a strength if the

business is better at this aspect of its offering than competitors.

(3) Record items as succinctly and carefully as possible. Two managers

interpreting the same, loosely worded SWOT may generate different

interpretations.

Internal Environment Issues: Strengths and Weaknesses

A SWOT analysis can deal with any aspect of the internal environment that is

perceived as relevant by managers and customers. When considering the Strengths and

Weaknesses, the following areas will usually be considered: (Dibb, Simkin, and Bradley

1996)

Marketing:

Products

Pricing

Promotion

Marketing Information/Intelligence

Resources

Service/People

Distribution/Distributors

Branding and Positioning

External Environment Issues: Threats and Opportunities

The external environment issues relate strongly to the marketing environment.

The core features to consider include: (Dibb, Simkin, and Bradley 1996)

(1)   Social/Cultural

(2)   Regulatory/Legal/Political

(3)   Technological

(4)   Economic Conditions

(5)   Competition:

    (a)   Global players

    (b)   International versus national versus local ability

    (c)   Intensity of rivalry

    (d)   Threat of entry

    (e)   Pressure from substitutions

    (f)   Market's customer needs

    (g)   Bargaining Power of Buyers, Distributors, Suppliers

From a thorough SWOT analysis, an organization can glean initial insights into distinctive competencies and differential advantage over rivals, customer needs (to a degree, and often only with an internal, company personnel view); product portfolio requirements; competitive positioning; assumptions on which strategic decisions will be based; the match of the company's status with stated corporate goals; as well as the more obvious remarks concerning marketing opportunities and threats, company strengths and weaknesses. (Dibb, Simkin, and Bradley 1996)

To Conduct the SWOT

For each segment or market under review, list the most important issues in each of the four elements of the SWOT grid - Strengths, Weaknesses, Opportunities and Threats. (Dibb, Simkin, and Bradley 1996)

In each of the four sections of the SWOT, ensure that the points listed are in ranked order of importance: put the most important threat first, and so on. There is no

point listing dozens of issues: emphasize only those points of most impact on the business. Be objective: can the assertions be backed up with evidence (quotations, letters, trade statistics, press reports, government publications, sales force feedback, customer comments). (Dibb, Simkin, and Bradley 1996)

Do not lose sight of the fact that the points listed should be taking account of the business's position versus its strongest rivals. (Dibb, Simkin, and Bradley 1996)

Marketing Program

The marketer's task is to build a marketing program or plan to achieve the company's desired objectives. The marketing program consists of numerous decisions on the mix of marketing tools to use. The marketing mix is the set of marketing tools the firm uses to pursue its marketing objectives in the target market. (Kotler 2003)

The firm can change its price, sales force size, and advertising expenditures in the short run. It can develop new products and modify its distribution channels only in the long run. Thus the firm typically makes fewer period-to-period marketing-mix changes in the short run than the number of marketing-mix decision variables might suggest. (Kotler 2003)

The 4 P's represent the sellers' view of the marketing tools available for influencing buyers. From a buyer's point of view, each marketing tool is designed to deliver a customer benefit. Robert Lauterbom suggested that the sellers' 4 P's correspond to the customers' 4 C's.

4 P's	4 C's
Product	Customer solution
Price	Convenience
Place	Customer cost
Promotion	Communication

Winning companies will be those that can meet customer needs economically and conveniently and with effective communication. (Kotler 2003)

Required Marketing Programs

Marketing programs must be designed which reflect the requirements of the strategy and which aim to satisfy targeted customers' needs. These marketing programs hinge on the marketing mix ingredients: the product (or service) offering, promotional campaigns, place/distribution/channel requirements, pricing levels/policies and people/customer service issues. (Dibb, Simkin, and Bradley 1996)

The marketing programs must match the aims of the specified target market strategy. In addition, they must reflect the market situation and company position as outlined in the marketing analyses. The marketing programs also must aim to deliver the necessary customer needs, emphasize any identified differential advantage (DA) held by the business, and intend to alter customers' perceptions in order to achieve the desired stated brand positioning for the business's products. (Dibb, Simkin, and Bradley 1996)

In the light of the analyses undertaken the requirements of the strategy, it is important to remember that it is highly unlikely existing sales and marketing programs will be adequate or relevant. There will need to be significant modifications and enhancements. (Dibb, Simkin, and Bradley 1996)

The Marketing Mix

The marketing mix is the set of tactical decisions made by marketers that determines the specific marketing actions taken in the marketplace by a business. These ingredients must be manipulated in a manner which ensures targeted customers are satisfied, marketing strategies are implemented and desired brand positioning is achieved. In this context, such decisions about the marketing activity required must be direct, clear and realistic. It is likely that a separate marketing mix approach will be

required for each individual target market or market segment. (Dibb, Simkin, and Bradley 1996)

Given the importance of determining the appropriate marketing mix programs, this establishes the requirements and dimensions of each ingredient of the marketing mix. This is particularly important in a marketing planning context as the detailed marketing mix recommendations form the visible output from the program and are at the heart of the marketing plan document. (Dibb, Simkin, and Bradley 1996)

The marketing mix is the tool kit of any marketing department, consisting principally of the 4 P's: Product (or Service), Promotion, Place (Distribution/Channels to Market), and Pricing. Owing to differing customer characteristics and buying behavior, each target market requires a bespoke marketing mix or set of marketing programs. (Dibb, Simkin, and Bradley 1996)

This section presents twelve summary forms that highlight the principal aspects of the marketing mix program recommendations. These will form the specified direct actions at the core of the final marketing plan: (Dibb, Simkin, and Bradley 1996)

(1) Customer Perceptions: Need for Change

(2) Summary of Required Product/Service Mix

(3) Required Service Levels to Support Product Mix

(4) Summary of Current Advertising and Promotion

(5) Key Promotional Activity Required

(6) Desired Promotional Programs

(7) Distribution Channel Structural Requirements

(8) Summary of Marketing Channel Structural Requirements

(9) Sales Links Through Suppliers/Contractors

(10) Summary of Pricing Policy and Pricing Levels

(11) Process/Customer Liaison Improvements Required

(12) Human Resource Requirements

In order to understand current areas of weakness, it is important initially to identify perceptions in the target markets of certain fundamental marketing attributes, including brand awareness; product awareness; product image; quality of deliverable/product; after sales liaison/support and technical expertise; value of deliverable/product; product performance; on-time delivery and service professionalism versus the main competitors. (Dibb, Simkin, and Bradley 1996)

(1) Products

A product is everything (both favorable and unfavorable) that a customer receives in an exchange; it is a complexity of tangible and intangible attributes, including functional, social and psychological utilities or benefits. A product may be a good, a service or an idea. The product mix is the composite selection of products that a business makes available to its customers. (Dibb, Simkin, and Bradley 1996)

There are three levels of a product to consider: the core product, actual product and augmented product. The core product is the benefit or service recognized and desired by the target customer. The actual product is a composite of real attributes, including product features, quality, capabilities, design/styling, packaging and brand name. The augmented product aspects are the softer, service-orientated issues which help ease the purchase and use of a product and reassure customers, such as warranty provision, customer service, delivery and credit, installation, after-sales support and involvement of personnel. (Dibb, Simkin, and Bradley 1996)

Businesses must ensure they have the correct mix of products guaranteed to appeal to target markets and satisfy these customers. This will involve the continuation of some or all of existing products, the modification or deletion of others in the product portfolio, and perhaps the development of new products. If a product must be dropped, there are three options: an immediate withdrawal, a run out or a phased course of action. The product life cycle analysis is an important consideration, as a successful company must have a balance of products, with rapidly growing and mature products providing the support for the development and nurturing of new products. Dependency on mature and declining products clearly is a recipe for disaster. (Dibb, Simkin, and Bradley 1996)

Having a correct and appropriate product mix is essential to the success of any business. Any changes deemed necessary must be incorporated in the product recommendations resulting from the marketing planning process. These requirements are not just in terms of the actual product, but also for the overall augmented product offering, including aspects of customer service, handling and reassurance. The selected product mix must reflect the identified KCVs. (Dibb, Simkin, and Bradley 1996)

Products: Required Action

The required Product/Service Mix must be specified per target market, particularly if additional products or derivatives are required. It is also important to determine the required Service Levels necessary to support this product mix. (Dibb, Simkin, and Bradley 1996)

(2) Promotion

Advertising is perhaps the most visible component of promotion and is viewed by many lay observers as the essence of marketing. While it may be true that for many marketers this is a major use of available budgets, there is much more to effective promotions than just advertising. (Dibb, Simkin, and Bradley 1996)

In the marketing context, promotion is about communicating with individuals, groups or organizations to directly or indirectly facilitate exchanges of products, services or ideas by influencing audience members to accept a business's product offering. The promotional mix is formed from the core promotional activities, namely advertising, direct mail, sales promotion, personal selling, public relations and sponsorship. A target audience is a group of consumers or target market at whom a specific promotional campaign is directly aimed, or channel members in the distribution chain. (Dibb, Simkin, and Bradley 1996)

For consumers to become customers they must adopt (buy) the business's product. The product adoption process holds that customers first must become aware of a product, must then show interest in it, be persuaded to evaluate the product, try it, before if having evaluated and tried it they like it adopting the product by purchasing it and using it. Different forms of promotional activity are required to facilitate each stage of the product adoption process: (Dibb, Simkin, and Bradley 1996)

(a) Awareness: mass media communication sources - television, press, magazines, radio.

(b) Interest: mass media communication sources - press, magazines, television, radio.

(c) Evaluation: personal sources-relatives, friends, colleagues, peers.

(d) Trial: personal sources - sales personnel, peers, family, and friends.

(e) Adoption: personal sources (sales personnel) and for reassurance, mass media sources (television or press advertising).

The reflected in the identification of five communications effects are depending on what effect is required, different promotional activity will be needed. The promotional effects are: (Dibb, Simkin, and Bradley 1996)

(a) Category need: customers must recognize that a market exists, with specific products. They must also accept they have a need for such products.

(b) Brand awareness: once "in the market", customers typically have several suppliers' brands from which to choose. A business's marketers must concentrate promotional effort on enforcing specific brand awareness of their products.

(c) Brand attitude: awareness is important, but targeted customers must be persuaded to have a favorable attitude to the business's brand versus competitors' brands.

(d) Brand purchase intention: the favorable brand attitude must be stimulated to encourage consumers to experience the product and consider making a purchase.

(e) Purchase facilitation: having created a recognized need for a product, brand awareness, favorable brand attitude and encouraging targeted customers to try the product through effective promotional work, the

other ingredients of the marketing mix must be in harmony to make the product available at the right place, price and with the right product attributes and service levels.

Businesses using an appropriate mix of promotional elements can make the product adoption process smoother and facilitate communications effects. But before the promotional tools are selected it is important to realize that a schedule of activity must be followed: (Dibb, Simkin, and Bradley 1996)

(a)   Determine the target audience (target market).

(b)   Ascertain the key customer values and brand perceptions of the target audience.

(c)   Determine the business's desired brand positioning in the target market.

(d)   Produce a promotional message that reflects the product, brand positioning and customers' expectations.

(e)   Determine the timetabling required for promotional work in terms of marketing strategy requirements, competitive activity and the requirements of the rest of the marketing mix.

(f)   Select the most pertinent promotional tools in the context of the product, its target market, customers' behavior and attitudes and available budgets.

(g)   Identify the most appropriate media channels and formats to convey the determined campaign message.

(h)   Produce the required promotional material and run the campaigns.

It is essential for businesses to recognize the target audience's needs and expectations and the importance of establishing the desired brand positioning as selected by the business, before selecting promotional tools and media. (Dibb, Simkin, and Bradley 1996)

Note also that the target audience may not be the end-user, the ultimate consumer. The target audience may well be channel intermediaries and third parties such as wholesalers, retailers, distributors and agents. Depending on which point in the distribution channel is being targeted; a different promotional policy will be required. (Dibb, Simkin, and Bradley 1996)

A push policy aims at the immediate channel member (e.g. manufacturer to wholesaler), whereas a pull policy aims promotional activity directly at the ultimate consumer (e.g. manufacturer to householder). For most businesses, there is a need to instigate both push and pull strategies, with different promotional work geared at channel members and consumers. (Dibb, Simkin, and Bradley 1996)

The Promotional Mix

The promotional mix consists of the following components: (Dibb, Simkin, and Bradley 1996)

(a) Advertising, print or broadcast: the most common forms available to businesses are press (national, local, consumer and trade), television, radio, cinema and outdoors. Advertising has many uses, including the promotion of products or organizations; to stimulate primary and selective demand; to offset competitors' advertising; to aid sales

people; to increase uses and applications of a product; to remind and enforce attitudes; and, to reduce sales fluctuations.

(b)   Direct mail: printed material designed to entice prospective custom or donors, mailed directly to customers' addresses.

(c)   Sales promotion: activities or items that induce in intermediaries the desire to stock and sell a product, and in consumers the desire to buy a product. The most common forms include coupons, free samples, demonstrations and competitions for consumers and sales competitions, free merchandise, point-of-sale displays, trade shows and exhibitions for the trade.

(d)   Personal selling: the process of informing and persuading customers directly through personal contact with the sales force and teleselling.

(e)   Public relations: the planned and sustained effort of maintaining or creating good will, using press releases, feature articles, captioned photographed, press conferences, editorials, films, videos and tapes, in-company publications and newsletters, enhanced executive communications skills, VIP links, visits, seminars and meetings.

(f)   Sponsorship: the financing or part financing of an event, personality, activity, program or product to improve customer awareness and attain media coverage, most commonly in the arts and sports.

Promotion: Action Required

Promotional programs are one of the mainstays of an organization's sales and marketing activity. The first step is to summarize what promotional work and campaigns have been running recently. Next, state the promotional objectives for any promotional work now needed (e.g. to

build brand awareness; reposition a product against competitors; emphasize a particular application, etc). Finally, suggest suitable promotional programs (e.g. literature, exhibitions, personal calls) and required scheduling: it is likely that a number of individuals within the organization will have useful expertise and knowledge to contribute. So efforts to gather together the necessary expertise must be made. The promotional programs must communicate the desired brand positioning to the targeted customers and emphasize any differential advantages over rivals. (Dibb, Simkin, and Bradley 1996)

Place: Marketing Channels

The place ingredient of the marketing mix concerns distribution issues: the activities that make products or services available to customers when and where they want to purchase them. Customers must be able to readily access the products they wish to purchase, but the business must aim to keep the total inventory, transport, communication, storage and materials handling costs as low as is possible. (Dibb, Simkin, and Bradley 1996)

A key decision for the business to make is the selection of an appropriate marketing channel. This must give due consideration to the nature of the target market and the product in question. The marketing channel is the route through which a product or service passes from manufacture to consumption. (Dibb, Simkin, and Bradley 1996)

In the light of customer analyses, knowledge of key customer values (KCVs) and buying processes, and with an awareness of competitors' routes to market, the business must consider whether its existing selection of marketing channel (or channels) is appropriate. The adopted channels must

lead to satisfied customers, adequate profit margins and minimal bureaucracy. Related to this issue are concerns about power, conflict and control in the marketing channel. (Dibb, Simkin, and Bradley 1996)

Businesses must make deliberate decisions about physical distribution management issues. In most businesses these are handled by specialist transport managers, but in a marketing context it is important to ensure that policies are likely to keep customers happy and be in line with identified KCVs and perhaps any related differential advantage. Similarly with stockholding policies: if availability and lead-times are fundamental to satisfying customers, inventory policies must facilitate required inventory holdings and allocations. (Dibb, Simkin, and Bradley 1996)

Place: Action Required

In cases where the business has only direct relationships with customers, these channel aspects are not going to be of great importance. However, there may be sales opportunities stemming from relationships with contractors or consultants and their contacts, plus from licensing. Channels to market are important and links with suppliers can provide sales leads. (Dibb, Simkin, and Bradley 1996)

(4) Price

Price commonly is defined as the value placed on what is exchanged between supplier and consumer: otherwise known as the amount a customer is prepared to pay for a good or service. Businesses that set prices lower than customers are prepared to pay may be ignoring revenue opportunities and may ultimately become financially unstable and vulnerable. Businesses that over-price their products risk alienating customers and giving

competitors an edge. In such cases only the most brand loyal customers may continue to purchase the business's goods or services. (Dibb, Simkin, and Bradley 1996)

There are several factors that are known to affect pricing decisions: (Dibb, Simkin, and Bradley 1996)

(a)   The competitive situation: companies must set prices which are consistent with the competitive situation operating in a particular market, in line with their competitive position and reflecting any recognized differential advantage which may facilitate higher prices.

(b)   Prices must be consistent with company objectives. Businesses requiring a rapid increase in market share will have different price strategies (e.g. price reductions/cutting) than those requiring high profitability in the short term (when margins must be maintained).

(c)   Price levels must not be set in isolation of other marketing mix variables. Each element must be consistent with the others so that a cohesive message is developed. A product with an up-market positioning and image requires an appropriately high price rather than a discount price, as well as a select channel of distribution and sales program.

(d)   Although in the short-term businesses may set prices that deliberately do not cover their development, production, distribution and marketing costs as they perhaps attempt to penetrate a market and establish market share ultimately, long-term survival depends on prices being set that cover costs and provide adequate profit margins.

(e)   Companies must understand the importance which customers place on price, which will vary from target market to target market. All too often, businesses are reluctant to set higher price points when in fact customers may have sufficient need and positive brand attitude to be prepared to pay more than they are currently asked.

(f)   In certain markets, national and local governments impose controls that impact on prices. In most countries and in the EU, consumer legislation exists to protect customers from unreasonable or unfair pricing.

Setting Prices

Setting prices is frequently an area which marketing professionals regard with trepidation. Yet despite the confusion that may surround it, there is a straightforward sequential process for setting prices: (Dibb, Simkin, and Bradley 1996)

(a)   Develop pricing objectives: A variety of short and long term concerns will be important, including cash flow requirements, survival, profit-ability, return on investment, desired market share, the status quo of the market and product quality.

(b)   Assess target market's ability to purchase and its evaluation a/price: Customers' sensitivity to price varies. It is essential to understand how price sensitive are target customers, their tolerance of high prices and their propensity to shop around. Customer tolerance will relate to income, economic conditions, brand positioning, competitors' offers and their perception of value.

(c) Determine level of demand and analyze the relationship with cost and profit: Many businesses find it useful to consider the likely purchase quantities at different price points. Technically this is referred to as the elasticity of demand the effect of a small price change on the numbers of a product purchased. Price elasticity of demand equals percent change in number demanded divided by percent change in price. The point at which total costs (fixed and variable) are equal to the revenue generated is termed the break-even point. Calculating the break-even point at a number of different pricing levels allows a company to understand the relationship between costs and revenue and indicates the likely impact on the business of different pricing levels.

(d) Evaluate competitive pricing: An understanding of how competitors set their prices and an awareness of their actual price points, helps a business determine the parameters within which its prices must be set. It must be considered, however, if the business has a differential advantage on which to build up its price levels over rivals.

(e) Choose a pricing policy: Pricing policy is generally linked to corporate objectives and presents four broad approaches:

(1) Market Penetration Pricing: setting low prices relative to competitors in order to gain market share. It is not always easy to subsequently raise prices to fully cover costs and profit requirements without alienating distributors and customers.

(2) Price Skimming the use of very high prices in order to maximize profits in the short term. Only applicable for highly

innovative, **strongly desired products with negligible** competition.

(3) Psychological Pricing: perceived value pricing based on what customers believe a product or service is worth, rather than rational analysis of cost structures and competitors' pricing.

(4) Promotional Pricing: special price levels usually lower than normal to increase sales in the short term, linked perhaps to sales promotions and the use of loss-leaders'.

(f) Select a pricing method: This is the mechanical process through which price is set. The alternatives are as follows:

(1) Cost-driven pricing: cost-plus pricing, where prices are set at a level to allow a certain pre-determined percentage profit once all costs have been met.

(2) Competition-driven pricing: going-rate pricing to reflect the prices set by competitors.

(3) Demand-driven pricing: variable pricing to reflect markets in which demand varies over time or seasons.

(g) Decide on a specific price: At this stage, the business determines the actual price to set. This may be varied as the marketing mix is manipulated to reflect developments in the market place, consumers' behavior and competitors' actions.

(h) Payment mechanisms: Once a price is set, decisions must be made as to how rigid it is to remain. A list price could be negotiable, but to what extent? There may be discounts for bulk or regular orders. Credit terms and specialized payment terms may need to be offered in order

to achieve desired pricing levels over time. The price ingredient of the marketing mix is only partly made up of the setting of price levels. Processes and mechanisms must be in place that enables customers to pay easily for the business's goods and services.

Pricing: Required Action

For Pricing, state what pricing policy and price point changes are required. Owing to product or marketing mix differentiation, consider if there is an opportunity for premium pricing or increasing price levels. Thought should be given also to the closest competitor's pricing, as customers may well compare prices. (Dibb, Simkin, and Bradley 1996)

Some businesses are involved in bid pricing. In such cases it is helpful to be aware of what can be learned from competitors' bids. (Dibb, Simkin, and Bradley 1996)

The required action may well involve other elements of the marketing mix, particularly product modifications and promotional activity. When completing this form, care is needed to ensure that pricing is related to the identified desired brand positioning and to competitors' positioning. (Dibb, Simkin, and Bradley 1996)

Marketing Implementation

Marketing implementation is the process that turns marketing plans into action assignments and ensures that such assignments are executed in a manner that accomplishes the plan's stated objectives. (Kotler 2003)

Whereas strategy addresses what and why of marketing activities, implementation addresses who, where, when, and how. Strategy and implementation are closely related in that one layer of strategy implies certain tactical implementation assignments at a

lower level. For example, top management's strategic decision to "harvest" a product must be translated into specific actions and assignments. (Kotler 2003)

Thomas Bonoma has identified four sets of skills for implementing marketing programs: (Kotler 2003)

(1) Diagnostic skills: When marketing programs do not fulfill expectations, was it the result of poor strategy or poor implementation? If implementation, what went wrong?

(2) Identification of company level: Implementation problems can occur in three levels: the marketing function, the marketing program, and the marketing policy level.

(3) Implementation skills: To implement programs successfully, marketers need other skills: allocating skills for budgeting resources, organizing skills to develop an effective organization, and interaction skills to motivate others to get things done.

(4) Evaluation skills: Marketers also need monitoring skills to track and evaluate marketing actions.

Companies today are striving to make their marketing operations more efficient and their return on marketing investments more measurable. Marketing costs can amount to 20 to 40 percent of a company's total operating budget. Companies recognize the high amount of waste in many practices: too many meetings lasting too long, undue time spent in looking for documents, delays in receiving approvals, and difficulties in coordinating vendor partners. (Kotler 2003)

Most marketing departments use a limited number of unconnected technology tools such as e-mail, spreadsheets, project management software, and customer databases; but unconnected tools cannot deal with the increasingly complex nature of

business, the increased number of collaborators, and the global scope of operations. Companies use information technology to improve the management of their marketing resources. They need better templates for marketing processes, better management of marketing assets, and better allocation of marketing resources. (Kotler 2003)

Evaluation and Control

In spite of the need to monitor and control marketing activities, many companies have inadequate control procedures. Four types of marketing control needed by companies: annual-plan control, profitability control, efficiency control, and strategic control. (Kotler 2003)

(1) Annual-plan control. Annual-plan control aims to ensure that the company achieves the sales, profits, and other goals established in its annual plan. The heart of annual-plan control is management by objectives. Four steps are involved. First, management sets monthly or quarterly goals. Second, management monitors its performance in the marketplace. Third, management determines the causes of serious performance deviations. Fourth, management takes corrective action to close the gaps between goals and performance.

This control model applies to all levels of the organization. Top management sets annual sales and profit goals that become specific goals for lower levels of management. Each product manager is committed to attaining specified levels of sales and costs; each regional district and sales manager and each sales representative is also committed to specific goals. Each period, top management reviews and interprets the results.

Marketers today are showing a growing interest in developing better marketing metrics for measuring marketing performance. Managers use five

tools to check on the plan performance: sales analysis, market-share analysis, marketing expense-to-sales analysis, financial analysis, and market-based scorecard analysis.

(2)   Profitability Control. Marketing Profitability Analysis has 3 Steps:

Step 1: Identifying Functional Expenses: They are incurred to sell the product, advertise it, pack and deliver it, and bill and collect for it. The first task is to measure how much of each expense was incurred in each activity.

Step 2: Assigning Functional Expenses to Marketing Entities: The next task is to measure how much functional expense was associated with selling through each type of channel. Consider the selling effort. Advertising expense can be allocated according to the number of ads addressed to different channels. The packing and delivery expense is allocated according to the number of orders placed by each type of channel. This same basis was used for allocating billing and collection expense.

Step 3: Preparing a Profit-and-Loss Statement for Each Marketing Entity: A profit-and-loss statement can now be prepared for each type of channel.

(3)   Efficiency Control. Suppose a profitability analysis reveals that the company is earning poor profits in certain products, territories, or markets. Are there more efficient ways to manage the sales force, advertising, sales promotion, and distribution in connection with these marketing entities?

Some companies have established a marketing controller position to improve marketing efficiency. Marketing controllers work out of the controller's office but specialize in the marketing side of the business.

(4)   Strategic Control. Firm time to time, companies need to undertake a critical

review of overall marketing goals and effectiveness each company should periodically reassess its strategic approach to the marketplace with marketing effectiveness reviews and marketing audits. Companies can also perform marketing excellence reviews and ethical/social responsibility reviews.

2.2 Competitive Analysis

Marketing Situation Analysis

Marketing management needs the information provided by the marketing situation analysis to guide the design of a new strategy or to change an existing strategy. The situation analysis is conducted on a regular basis after the strategy is underway to guide strategy changes. (Cravens 1997)

Analyzing Markets and Competition

Markets need to be defined so that the right buyers and competition are analyzed. For a market to exist, there must be people with particular needs and wants and one or more products that can satisfy these needs. Also, the buyers must be both willing and able to purchase a product that satisfies their needs and wants. (Cravens 1997)

Market Analysis

A product market consists of a specific product or line of related products that can satisfy a set of needs and wants for the people or organizations willing and able to purchase it. We use the term product to refer to either a physical good or an intangible service. This definition matches people or organizations with a particular set of similar needs and wants to a product category that can satisfy those needs and wants. (Cravens 1997)

Analyzing product markets and forecasting how they will change in the future are vital to business and marketing planning. Decisions to enter new product Markets, how

to serve existing product markets, and when to exit from unattractive product markets are critical strategic marketing choices. Our objective is to identify and describe the buyers, understand their preferences for products estimate the size and rate of growth of the market, and find out what c mpan es and products are competing in the market. (Cravens 1997)

Analyzing Competition

Evaluation of competitors' strategies, strengths, limitations, and plans is also a key aspect of the situation analysis. It is important to identify both existing and potential competitors. Typically, a few of the firms in the industry comprise the organization's key competitors. Competitor analysis includes evaluating each key competitor. The analyses highlight the competition's important strengths and weaknesses. A key issue is trying to figure out what the competition is likely to do in the future. (Cravens 1997)

2.3 Definition

2.3.1 CDMA

CDMA (Code Division Multiple Access) is a digital wireless technology that was pioneered and commercially developed by QUALCOMM. (www.cdma.com 2003)

CDMA works by converting speech into digital information, which is then transmitted as a radio signal over a wireless network. Using a unique code to distinguish each different call, CDMA enables many more people to share the airwaves at the same time without static, cross talk or interference. (www.cdma.com 2003)

Commercially introduced in 1995, CDMA quickly became one of the world's fastest-growing wireless technologies. In 1999, the International Telecommunications Union selected CDMA as the industry standard for new "third-generatire (3G) wireless systems. Many leading wireless carriers are now building or upgrading to 3G

CDMA networks in order to provide more capacity for voice traffic, along with high-speed data capabilities. (www.cdma.com 2003)

2.3.2 1DMA

TDMA (Time Division Multiple Access) is a technology used in digital cellular telephone communication that divides each cellular channel into three time slots in order to increase the amount of data that can be carried.

(www.wikipedia.org 2003)

TDMA was first specified as a standard in EIA/TIA Interim Standard 54 (IS-54). IS-136, an evolved version of IS-54, is the United States standard for 1DMA for both the cellular (850 MHz) and personal communications services (1.9 GHz) spectrums. (www.wikipedia.org 2003)

2.3.3 AMPS

AMPS (Advanced Mobile Phone Service) is a standard system for analog signal cellular telephone service in the United States and is also used in other countries. It is based on the initial electromagnetic radiation spectrum allocation for cellular service by the Federal Communications Commission (FCC) in 1970. Introduced by AT&T in 1983, AMPS became and currently still is the most widely deployed cellular system in the United States. (www.wikipedia.org 2003)

AMPS allocates frequency ranges within the 800 and 900 Megahertz (MHz) spectrum to cellular telephone. Each service provider can use half of the 824-849 MHz range for receiving signals from cellular phones and half the 869-894 MHz range for transmitting to cellular phones. The bands are divided into 30 kHz sub-bands, called channels. The receiving channels are called reverse channels and the sending channels are called forward channels. The division of the spectrum into sub-band channels is achieved by using frequency division multiple access (FDMA).

(www.wikipedia.org 2003)

The signals received from a transmitter cover an area called a cell. As a user moves out of the cell's area into an adjacent cell, the user begins to pick up the new cell's signals without any noticeable transition. The signals in the adjacent cell are sent and received on different channels than the previous cell's signals to so that the signals don't interfere with each other. (www.wikipedia.org 2003)

2.3.4 GSM

GSM (Global System for Mobile communication) is a digital mobile telephone system that is widely used in Europe and other parts of the world. GSM uses a variation of time division multiple access (TDMA) and is the most widely used of the three digital wireless telephone technologies (TDMA, GSM, and CDMA). GSM digitizes and compresses data, then sends it down a channel with two other streams of user data, each in its own time slot. It operates at either the 900 MHz or 1800 MHz frequency band. (www.wikipedia.org 2003)

GSM is the de facto wireless telephone standard in Europe. GSM has over 120 million users worldwide and is available in 120 countries, according to the GSM MoU Association. Since many GSM network operators have roaming agreements with foreign operators, users can often continue to use their mobile phones when they travel to other countries. (www.wikipedia.org 2003)

subsequently formed a strategic alliance with Telecom Corporation of New Zealand to operate 3G services. In 2002, the Group won a 3G license in Ireland through wholly owned subsidiary Hutchison 3G Ireland Limited.

The Group's international footprint outside Hong Kong and Europe covers Australia, Israel, India, Thailand, Malaysia, Sri Lanka, Paraguay, Argentina and Ghana. Hutchison has been rapidly building out the networks in the various markets and have launched the global 3 brand which will market the Group's 3G services.

In the United States, as a result of a merger between Deutsche Telekom and VoiceStream in 2001, Hutchison's holding in VoiceStream was sold for cash and shares in Deutsche Telecom.

The Group is actively expanding its Internet business and setting up B2B and B2C e-commerce operations in Hong Kong and the Asian region. Alliance has been formed with top US Company in the e-commerce industry such as Priceline.com. In addition, Hutchison has launched a number of e-business initiatives including LINE - Logistics Information Network Enterprise, bigboXX.com and ESDlife. The Group is also a substantial shareholder of TOM.COM which has pioneered the cross media strategy by building a portfolio of online and offline media assets through acquisitions and organic growth.

Mission

3G fuses together two of the most powerful consumer technologies in history the interactivity and depth of the Internet with the convenience and freedom of mobile telephony. 3G takes the most compelling aspect of each of these platforms and brings them together in one device. 3G is a new wireless communications category that offers a highly personalized interactive multimedia experience anywhere, any time.

Hutchison Whampoa believes that 3G will change the way people communicate and the way they access information and entertainment. This will be as significant as the birth of television after a generation of radio.

They are not in the business of selling phones. Their mission is to enhance people's lives. "We are creating a service that, upon demand, shows you where you are, what you want and how you want it and puts it in the palm of your hand." Over time, they hope that this will become an indispensable part of their daily lives.

The Group holds 3G licenses in Australia, Austria, Denmark, Hong Kong, Ireland, Israel, Italy, Sweden and the UK and will market its services under the global brand 3.

Thailand

Hutchison has a significant interest in Hutchison CAT Wireless MultiMedia ("Hutchison Wireless") (formerly Tawan Mobile Telecom Company), a joint venture with the Communications Authority of Thailand ("CAT"), which has been granted a marketing service agreement from the CAT to provide marketing service for 800 MHz CDMA cellular services in the Greater Bangkok Area and Central Thailand until 2015. Hutchison Wireless's existing basic voice services will be upgraded and leading edge value added services will be added in the near future. The services include voice and advanced data applications with the emphasis on leading edge, state-of-the-art services and product.

Hutchison CAT Wireless Multimedia Limited (HCWML) is providing mobile service to subscribers in the central region of Thailand. They are deploying CDMA2000 lx technology in 800 MHz band and plan to launch their services (both voice and advanced data) in year 2002. In addition, HCWML will also deploy NEV-DO and NEV-DV when the technology is available. The formal launch of its high-speed wireless multimedia service using the latest CDMA2000 1X technology that will be

marketed under the Hutch brand with commercial service. The launch gives birth to the first truly end-to-end wireless multimedia experience from custom made contents, applications to mobile devices to meet the increasing needs for quality data services from Thai customers. The launch features two custom made mobile handsets from Sanyo and Samsung, which are able to support high-speed multimedia service at a speed of up to 153 kbps. Both Hutch's unique features including color LCD characterize handsets, camera enabled, Thai input, java and HTML compatible browser for image rich contents. As for business users, Hutch also unveils the first high speed data card from Sierra Wireless which supports high speed data connection to the interne at a maximum speed of up to 153 kbps on mobile. The new data card is the first of its kind in the market that will become the most powerful business tool for business executives who are always on the move.

Hutchison also has a longstanding operation that offers paging services (including a newspager information service) nationwide in Thailand. The paging operation has about 23,000 subscribers. The paging operation also operates a successful web portal "lemononline coin" which provides content and features geared to the Thai market.

3.2 Current Situation

Thailand is South-East Asia's most dynamic mobile market. Emerging slowly out of the Asian economic crisis of 1997, the country witnessed a mobile boom in 2002. New competition helped boost adoption with lower prices and tempting offers for consumers. Fixed sector growth has lagged behind, but even here there is activity as the two main state telcos move towards privatization. The regulatory regime and transparency of government dealings with the telecoms sector came under scrutiny in the course of 2001 and 2002. The government needs to deliver in the area of regulation, particularly with regards to the formation of the sector's regulator, the National

Telecommunications Commission (NTC), in order to establish a strong base for further industry growth.

Recent Economic Performance

After the 1997 Asian financial crisis, devaluation of the baht plunged Thailand into recession. Total revenue in the telecoms sector fell from US$2.Ibn in 1997 to US$1.6bn in 1998. Many companies were forced to deal with high levels of debt and falling subscribers. However, the economy performed better than expected in 1999. GDP per capita has recovered since 1997 and remained fairly steady. The global slowdown in 2001 affected Thailand's economy, though it appears that prospects in the medium term. The telecoms sector should receive a boost from the upcoming initial public offerings (1P0s) of government telcos and investment by private telcos. High demand for mobile services has also encouraged investment by the sector's operators.

Government Policy and Regulatory Issues

The regulation of Thailand's telecom sector is more or less non-existent. Telecommunications services are largely governed and run by two state owned enterprises, TOT and CAT, but with legislation in March 2000 the country made provisions for a National Telecommunications Commission (NTC). The formation of the NTC has been delayed in parliament due to a lack of strong political will behind the project. With a prime minister that has intimate links with the telecoms sector, it is not surprising that accusations of corruption are often leveled when the government makes a policy decision. The increase of the foreign investment cap in 2001 shook the market, since most foreign investors held more that the stipulated 25%. The government appeared to have made a mistake and is now rectifying the law to allow investors to hold up to 49% of Thai telecoms companies. Other key regulatory issues include the privatization and listings of TOT and CAT and the resolution of the concessions both

telcos hold with private operators. The NTC is desperately needed to help move the sector towards its promise to the World Trade Organization (WTO) of liberalization by2006.

Thailand has three mobile players, Advanced Info Service (AIS), DTAC and TA Orange all operating on the GSM standard. It will see the entry of one CDMA (Code Division Multiple Access) operator, Hutchison CAT Wireless, in Bangkok. Another new entrant will be the TOT-CAT joint venture, Thai Mobile, which will launch a 1900Mhz service. Both services are due by the end of 2002 or early 2003. The CDMA project will be expanded to the provinces in the future. At the end of 2001, there were around 7.15m subscribers and by April 2002, the country had more than 10m users. The strong growth has been a result of the entry of TA Orange in the first quarter of 2002, which set off a price war and tempted consumers to sign up to the operators. Penetration leaped from 5% in 2000 to 12.5% at the end of 2001. The market and penetration level is likely to double by the end of 2002.

Market Outlook

In mid-2002, Thailand's consumers were still spending, boding well for the telecoms sector as a whole, though global economic uncertainty could shake confidence as 2002 draws to a close. So far, consumers have been keen to spend their cash on mobile services as operators have cut prices to compete with each other.

After much debate and delay, the privatization of at least one state telcos, TOT, will proceed in 2002. The local services provider, which was corporatised in August 2002, will list on the local stock exchange in November 2002. While TOT has suffered from the typical bureaucratic problems of state-owned businesses, it is restructuring with some determination. Its profitability should attract investors about 5% of the public offering will be allocated to foreign investors. The stunning reception for the last public

firm to be listed, gas company PTT, is another positive sign for TOT's debut, though weaker market conditions could stop a repeat of PTT's rich response.

International long distance operator CAT is slated to be corporatised in 2002 and should be listed in 2003. This should be another opportunity for investors to be involved, perhaps more directly as a strategic partner to CAT. Hong Kong's Hutchison Telecom is said to be in talks with CAT and it remains to be seen if other companies come forward.

The GSM mobile market experienced intense growth during 2002 and international equipment vendors have already benefited from the increased demand. As the market grows, there is potential for further network expansion tenders, but more likely are smaller contracts to help operators' deal with data services still a nascent market in the country. This is especially true as operators begin to see subscriber growth plateau in early 2003 they could turn their attention to luring customers and increasing revenues with data offerings. Related software and content vendors will also find business to be gained from such a development.

The country's two CDMA projects could present opportunities for CDMA vendors. Hutchison CAT Wireless is planning a Bangkok service launch in late 2002/early 2003, while the end of 2002 will decide the contract winner for the provincial service. Any potential business depends on whether both projects are actually carried out as planned, since the technology has faced many obstacles in its entry into the market. If the projects go ahead, foreign equipment vendors, particularly Chinese vendors licensed by the US patent holder of the technology, could find a new CDMA market in Asia.

33 SWOT Analysis

3.3.1 Strength

Hutchison was not a new player in the local mobile phone market and was part of a global telecom giant. Hutch carves out a market niche in Thailand. CDMA 1X can be upgraded to third-generation mobile services, with speeds of one megabit per second. The venture was now successful in terms of brand awareness. The handsets will feature color screens on all models with functions now available in the high-end market that included multi-media services. With CDMA's high-level quality of voice clarity, future data applications, and wider bandwidth suitable for heavy usage without interference. The new technology called CDMA 1X, the new venture would provide voice and data communications at an acceptable speed through the Internet. Additional services include information and online transaction services for banking and entertainment. The two agencies now have a CDMA network. This would be a strong point once the state agencies are transformed into private companies. Hutch is focused on the non-voice service to distinguish itself from the existing three GSM operators. The CDMA network also represents a lower construction cost than that of the GSM system, as one CDMA base station has coverage equivalent to that of six GSM stations. All Hutch handsets are customized with a unique Hutch key design to allow their customers to have one touch access to a host of exciting content channels called Hutch Zone which provides a comprehensive array of multimedia contents updated daily from tailor-made java game to wireless karaoke. The new data card is the first of its kind in the market that will become the most powerful business tool for business executives who are always on the move.

3.3.2 Weakness

Hutch did not place itself to compete in the low-end market because of the technology it employed. They added the handsets would not be cheap. CDMA handsets would be expensive because manufacturers had no incentive to produce them in large numbers, compared with models using GSM technology. Hutch is a new brand name that situates on the beginning phase or introduction period and most wirefree communications market share belongs to Shin Corporate. Hutch has to stress going forward of being successfully transferred into all of the powerful brand names in the Thailand wirefree communications market.US-based Qualcomm, Samsung and Sanyo that is a limit choice for users would supply the handsets by Hutch. Hutch service would be available in 25 central provinces but it isn't still enough to service. The international roaming would be limited as CDMA was available in very few countries and outside the capital of Thailand, it will roam with other operators. The CAT had no marketing experience and the CDMA service was very new to the market. The plan of Hutch was scrapped and the new terms allow the firm leasing the network to handle marketing. The limitation of Hutch products (simcard and mobile phone) must be used together, if not they wouldn't be support to Hutch service.

3.3.3 Opportunity

The local market was dominated by GSM, the limited speed and content offered by existing providers, largely limited to short message services, gave CDMA room for growth. Thai market has a significant penetration rate already; there is significant room for the new service. Thailand is among the first few Asian countries to adopt CDMA, a technology that promises more economical use of the radio frequency spectrum. Hutch was to enter the local market and would differentiate itself from other operators by its data applications. If ACT Mobile intends to move to 3G over the next few years,

CDMA will be a better choice. CDMA was much more widely used worldwide, making international roaming more convenient. CDMA is not new in Thailand. An effort was made to introduce the system before the recession in 1997 but the customer response was poor because of incomplete network coverage and uncompetitive charges for airtime and handsets. Now CDMA has returned, with improved technology, under a new venture between the Hong Kong-based Hutchison Group, which has been licensed to introduce the next generation of the system in Europe, and the Communications Authority of Thailand. The CDMA system first entered the Thai market seven years ago but failed to make headway, mainly because the original investor lacked the capital to develop the network. In contrast, the market situation today was very positive for all mobile systems, and CDMA itself was now more popular than ever in the global market. Many operators abroad were seeking to roam the service with Hutchison-CAT and Qualcomm plans to introduce a multi-mode chipset that enables a handset to use both the CDMA and GSM systems. Thai government aimed to make a society and economy where science, technology and innovation are encouraged and valued. Thai mobile phone users now are around 6 million when compared with the total population in Thailand that is around 65 million so that the percentage of the probability to gain the market share has high probability.

3.3.4 Threat

The main point of the technology selection in Thailand is deciding whether to choose the existing technologies or to wait for 3G. It will be difficult to convince the 15.8 million GSM subscribers to switch to CDMA solely to take advantage of a higher data transmission rate. It is a risk to commit Hutch to winning the specific number of customers because technology changes so rapidly. Competition in local mobile phone service continues to build with the announcement to improve and promote its cellular

services and offer new Internet Protocol network services. Now pre-paid business would account for 60% of the mobile-phone market of all systems. The operators of GSM-based technology need a new bandwidth allocation between 1900 and 2000 MHz to provide 3G services too. The costs of installing the CDMA and GSM systems were different but GSM had the advantage of international roaming agreements. The main challenge will be to increase revenue per line through services such as messaging and data, made possible by GPRS technology that will increase transmission speed and user-friendliness. Short messaging service has been a boon to the industry, and hopes are high that multimedia message service (MMS) will catch on in a big way. Also highly popular are ring tone and graphics downloading services, while mobile gaming holds promise, along with downloading of music through alliances with major local providers such as GMM Grammy. For today the trend of the business in Thailand is emphasizing more on the international with the free trade area so that foreign investor will be increasing the raw mobile industrial more and more. We cannot avoid saying that Asia is the largest of every business so it will have more and more competitors in every business. As a result of competition, it will decrease margin of profit and increase the price competition due to customer who have more various products and services to make the decision.

3.4 Competitive Analysis

3.4.1 MS

Advanced Info Service Plc., "the Company" operates Nordic Mobile Telephone (NMT) and Global System Mobile (GSM) telephone services through 900 MHz frequency under concession agreements with the Telephone Organization of Thailand (TOT) dated March 27,1990 and Memorandum of Agreements attached thereto. The Company has to pay a revenue sharing of 15% of its gross service revenue to TOT in

the first 5 years. The rate shall be increased by 5% every subsequent 5-year throughout the 25 year concession period, with a cap of 30% or the minimum amount as stipulated in the agreement for year 16-25. Such concession is a "build-transfer-operate" (BTO) type under which the Company shall make investment and assume responsibilities for fund raising and the costs in connection therewith.

After installation, the entire system shall fall into the ownership of TOT, and the Company shall be entitled to use the system for the operation of NMT and GSM Advance mobile phone services under the concession agreements.

The dynamic marketing strategies of MS have successfully broadened its market base through product and network development and by creating an appeal to specific segments of target consumers, from businessmen and small business owners to the young generation and teenagers. MS network coverage is extensive and efficient while various services in addition to receiving and making calls are conveniently in place.

Currently, MS offers Cellular 900, GSM Advance, and prepaid One-2-Call systems. It is their mission to expand their services to the full range of wireless communications. Mobile telephones no longer communicate solely with sound but are equipped to send and receive the latest news and information vital to businesses and everyday life in this information age. The next step in product development at MS is characterized by variety and personalized services. Infrastructure installations are well on their way to accommodate Internet connections and complete non-voice applications. These new developments will ensure state-of-the-art services and the greatest benefits for subscribers. With the management team of highly qualified professionals in various fields, MS has attained remarkable achievement in all aspects. Despite the economic crisis and intense competition, MS has gained wider market expansion, stronger financial status. To guarantee the Company the edge in business operations, MS has

successfully undertaken organization restructuring. The Company is confident that it will continue to lead the way in Thailand's wireless communications business.

AIS Service

    (1)   GSM Advance

The Network has been operated by MS since 1994 when the company received a concession from the Telephone Organization of Thailand (TOT).

GSM Advance offers the widest service coverage area in Thailand and is still expanding to serve all the subscribers the best they could

    (2)   Cellular 900

MS have started the Cellular 900 Network Services in 1990. It is Thailand's premier system and has the most subscribers at the time. Not only does Cellular 900 have the widest coverage area nationwide but it also offers both innovative technology and one-stop service.

    (3)   One-2-Call

A new mobile telephone system that does not require registration has no monthly or other services fees and no bill.

Their customer can control the cost by "refilling" the system and they can use it in only 3 minutes. It is guaranteed under the GSM Advance network.

    (4)   FoneRent

When their foreign customer come to do business in Thailand, one thing that can help them be successful is keeping in touch with people around the world.

Contact FoneRent to make it more convenient for their customer to be in contact with other people while they are on the move.

3.4.2 DTAC

Maintain Leadership in Offering Telecommunication Services

From AMPS 800 to PCN1800, they have been working to bring forth the best technology and services to their customers. Still, they never ignore the optimization and maintenance of their network systems. In the meanwhile, they believe in sustainable service from which their customers enjoy their first-class experience with their Customer Service/Customer Care Officers

With the joint venture between TAC and IELENOR, they are today moving into the next era of mobile communication in Thailand. An era dedicated to a better communication network, better people, and most of all better services offered to all of their customers. No longer will we see TAC, Prompt, WorldPhone 1800 or 800, because all of these brands will now transform into DTAC. The "D" in their new logos will stand as a symbol of excellence that will retain all the quality services that customer already enjoy. PLUS for additional new service packages, which will not only provide their customer superior value, but will ensure that their mobile communication shall never be complicated again.

New Vision & Philosophy

For DTAC, the profit is not the goal of their business, but giving the best value for money for all of their customers plus the honest intention to make all Thai people be able to easily communicate with each other is always the main goal in their mind. They always realize that mobile phone is no longer a luxury or fashion, but it is a part of a lifestyle for all Thai people. They, therefore, continue to research and develop to make the world of mobile communication easy for them.

About DTAC Packages

At DTAC, they believe in making things easy for all of their customers. Whether customers are a light, a normal or a heavy mobile phone user, they offer them 4 different service packages to choose from that will make the use of a mobile phone significantly more affordable - Dprompt, Dlite, Dmedium, and Dmax. Choose whichever one suits their customer's personal style. Their customers can change to a different package every month - free of transfer charges - for a full period of 5 years.

Dprompt

If their customers don't want to pay monthly fees, don't want to bother about applications and bills and need a mobile phone service that is instantly ready to use then Dprompt is the package for them. Without any monthly fee and a flat nationwide rate of 5 baht per minute, they stay in total control of how much they spend. And with free access to value-added services and per-second charging they will be glad to know that these conditions to save their money are theirs for the next five years.

Dlite

If customers normally receive calls rather than call out themselves, Dlite might be the perfect mobile phone service to help them save costs_ Because with a monthly fee of only 250 baht and a flat, nationwide minute rate of 4 baht, Dlite is the service package for callers with a low usage time. Calls charges by the second and free access to value-added services will help them save even more. And best of all, these conditions do not expire after a few months; they are theirs for 5 years. Dlite pay as little as they use.

Dmedium

If customers are a regular user of mobile phones, Dmedium might be the perfect mobile phone service to help them save costs. For your monthly package fee of 750 Baht, they already receive 250 minutes of airtime. Any further calls will be charged at 3

baht per minute at a flat, nationwide rate. Together with free access to value-added services. Dmedium is the irresistible mobile phone service for regular usage with continuous savings. And best of all, these conditions will stay for a full 5 years.

Dmax

If customers are a frequent caller and use their mobile phone around the clock, Dmax might be the perfect mobile phone service to help them save costs. A package fee of 1,200 Baht already includes 600 minutes of monthly airtime. And onwards, they will pay only 2 baht per minute, nationwide. Good to know that Dmax is not a short-term promotion; these conditions are theirs for a period of five years. And with charging per second and free access to value added services, the sky is the limit for the savings and usage of a Dmax user.

3.4.3 TA Orange

TA Orange innovates products and services that make a difference to the way people live, work and communicate. TA Orange believes in a friendly, easy to use and simple to understand service. They are committed to giving their customers effortless control over the way they communicate. No matter how they use their phone, with TA Orange, they'll enjoy access to all the people, information and entertainment that they want. Their vision is to create a future in which anything is possible. The future's bright, the future's TA Orange.

TA Orange is building a world-class wirefee network in Thailand. Their customers can be confident in the knowledge that TA Orange will provide their customer with the best possible network.

This is thanks to their global expertise and a network built with state of the art technology. Their customers can relax knowing that their coverage of Bangkok and key urban areas will be expanded to give them nationwide coverage by the end of 2002.

They believe that their network is so good that if due to unforeseen circumstances, the network drops their call, they will credit you 30 seconds of talk time.

All TA Orange Service

Caller Id	Call Holding
Call Forwarding	Call Waiting
Group Calling	Call Barring
Text Messaging	Orange Answer Phone
Call Return	Voice messaging
Information Services	Itemized Billing
International Roaming	serving your business
Group calling	Answer Phone
Thai SMS	Answer Fax
Information services	Data transfer
Itemized billing	Dedicated Customer Care
Call forwarding	

3.5 Positioning Strategy

Hutch is an operator of CDMA 1X technology in Thailand that stands for quality, exclusivity, and trustworthiness. They position themselves as high price, high quality product. Their main competitors are AIS, DTAC, and Orange. CDMA 1X technology enabled Hutch to provide a more efficient non-voice service, and the signal for voice communications are also clearer than those of rival systems. CDMA 1X is an advanced wireless technology that could be upgraded to third-generation mobile service with speeds of one megabit per second. The company has been awarded a contract to provide marking services for Digital CDMA mobile telephone services. The services include

voice and advanced data applications with the emphasis on leading edge, state-of-the-art services and products.

Hutch handsets feature color screens on all models with functions now available in the high-end market that included multi-media services. The Samsung SCH-A564, and Sanyo SCP550 equipped with various exciting capabilities designed to fulfill both the information and entertainment requirements of new-generation users. The unique karaoke function is highlighting for music lovers, together with other "Hutch" advanced features including color LCD and a digital plug-in camera. The relatively higher price of CDMA handsets is around 30,000 baht.

Hutch is a new way of communication, multimedia service on the move. Hutch delivers high-speed multimedia services that combine usefulness and pleasure together at the same time. Life with Hutch is the life that brings together the communication, information, and entertainment anytime in the way that has never existed before.

Hutch target group will be mass customers who don't expect just voices but expect for non-voices such as Mobile Internet, Video Clip or Screen Saver. The customers who work in telecommunication industrial and IT base industrial. Hutch expects middle to high-income users because the price of handset is not cheap.

After the situation is examined, we found that Hutch target groups need to be educated about the product to be used. The product must not be too difficult to understand.

The following overview shows how the products are positioned and cover all the needs of each user.

IV. A LONG-TERM MARKETING PLAN

Hutch long-term marketing plan covers a two to five year period because the mobile phone industry in Thailand is very dynamic and fast moving that infrastructure cost is one interfering topic. Within this period the main consideration is to expand Hutch base stations so that customers of different ages possible are able to benefit from it.

We plan to expand distributing places from 100 base stations to 1,000 base stations to increase the customer convenience of buying Hutch's product.

After Hutch launched Sanyo and Samsung, we are now focusing on launching 5 items (Nokia, Sony Ericsson, Motorola, Siemens, Panasonic) to be able to satisfy all needs of customers.

We also want to increase Hutch's sales figure so that the profits can cover the initial investment Hutch have invested in the first year.

At these periods, the core benefits of Hutch's product remains the same but the augmented benefit may change. That means, for example, Hutch is still giving voices and non-voices but technology and services are better.

Objectives Define:

    (1)   To increase the distribution of Hutch to 1,000 base stations and 600 shops.

    (2)   To sell all of Hutch products to our 3 target market segments.

Target Market Define:

Hutch's target market segments can be identified into 3 age groups, which are located in Bangkok area including metropolitans, and other capital cities. A multiple-segment strategy will be used to select the target market because Hutch wants to sell their products to all segmentation. Hutch cannot effectively reach to all age groups with the same marketing mix. Hutch will select three segments and develop a separate

marketing mix to reach each segment. Hutch's market lines are in 15 — 25, 26 - 40 and over 40 year old. The middle to high-income users is Hutch's market segmentation and which can be separated into 3 groups. First, are mass customers who love to use a new high technology such as mobile-internet, video clip or screen saver. Second is in telecommunication industry. Third is in information technology (IT) or computer industry.

4.1 Product Strategies

In four years planning horizon, we plan to increase Hutch's products gradually. We can come up with many plans about the products. In second to five years, core benefits of Hutch, giving voices and non-voices, should remain the same. However, the series product should increase. This means the item of a product, package, and some functions, will be added. The product package of some of the products might change to make it more modern or convenient to use. The expected product and augmented product might change slightly because Hutch has strong innovation power. All packages will make it attractive and will satisfy customer. The augmented product will be different. Not only the package will improve, but also Hutch services, customer advice, and other things Hutch's customers' value will also be improved.

All products sold under one brand "Hutch". A year before we assumed to have already built a lot of brand awareness and we use it as a basis for expanding product mixes.

On the package of each product, four things will always be presented, including operator name, brand name, logo, and symbol. Style of color and graphic will be different from item to item. The color and graphic of Samsung SCH-A564 from "Hutch" that is for people with music in their hearts with special "Karaoke", send and receive colorful and superior quality pictures with "Photo Mail" and make their mobile

phone truly distinctive with 40 polyphonic ringtone. It will be colorful and lively on a white background. Sanyo SCP-550 simply gives them "a new world of multimedia communication" where functionality and fun become one. It focuses on more maturity than Samsung, color and graphic will be much more elegant but still colorful and also it must be on a white background. For device PCMCIA will be not colorful but smart. Color we preferred is two or three colors from six of Hutch colors. All packages will be made from paper and plastic. For all variant items of mobile phone, it will be designed when the processes are finished.

4.2 Pricing Strategies

These pricing strategies are used in the next four years. This price must be compatible to the rest of the marketing mix. Hutch is one of the mobile phone operators in Thailand that stands for quality and high technology. We position Hutch as a high price, high quality product. We want to make Hutch prices as competitive as possible. Hutch's competitors set price as high price, high product such as MS who is leader of mobile phone market share.

4.3 Distribution Strategies

Since Hutch target market is a user who is middle to high income, the place to distribute Hutch product must be the place they are convinced to buy, and matte them feel confident in Hutch product quality. The appropriate Hutch shops, dealer shops are in good atmosphere that enhance the sales of Hutch mobile phone image. Jaymart shop, Bliss@tell shop, I-mobile, all department stores in a part of electronic department, and etc. are the dealer shops that we plan to distribute Hutch mobile phone. We plan to increase Hutch shop from 100 shops to 600 shops in Thailand in this period.

In this period, we plan to expand Hutch distributing places to 1,000 base stations that are located in Bangkok area including metropolitan, and other capital cities. The

second year we will open from 100 base stations to 300 base stations. The third to fifth years we will open Hutch station to 1,000 base stations.

4.4 Promotion Strategies

Hutch promotion strategies will be set following other marketing mixed as well as budget set. In brief, we will advertise Hutch products on television, radio spots, magazines, newspaper, outdoor advertising, and direct mails. The consumer-promotion tools we will use include premiums, rebates, discount voucher, free some download per time or minute such as picture message, SMS, m-cards, e-mail, games, and other downloads, etc. Marketing public relation tools we will use are publication, events, news, and identity media. The promotions join with credit cards such as City bank, Bangkok bank, and other with conditions.

The promotion approaches consist of advertising, personal selling, dealer incentives, sales promotion, and public relation. We still have the same short-term planning but we increase something new such as premium product.

Advertising Strategy

The objectives of the advertising follow a short-term planning That is not stress to introduce know-how technology of Hutch to target groups because Hutch's customers are already known. The concept of advertising of this plan is to present Hutch's name, new products and service mind to customers. In Hutch's media, we just present about Hutch for customers to recognize except introduce new items of mobile phone or promote new promotion packages. We selected many media to support Hutch campaign as follows:

(1) Television, we want Hutch's customers to see the movement of Hutch products than we can present in 3 dimensions.

(2)   Radio, we stress to present Hutch's name where customers can buy Hutch phone.

(3)   Newspapers, we present Hutch promotion package, mobile phone and price.

(4)   Billboard, we use it of recognize Hutch so we just present Hutch's name, logo, and symbol only.

(5)   Magazines, we use for corporate advertising or public relation and also new product and Hutch events.

(6)   Below the line communication such as direct mail, leaflet, folder, booklet, and etc., we use to support above line that we selected because those media reach one by one customer and some part of it we will be in Hutch shops so when customers want to know something they can take it for information.

Events

We must set Hutch events for relationship between Hutch and Hutch's target groups. We want to get "talk of the town" for every event from Hutch so that we will set the objectives for events for this period are following:

(1)   To create the difference from competitors

(2)   To get the customers mind

(3)   To create a feeling of "Hutch family"

(4)   To create trustiness to customer

Public Relations

We stress the importance of the personal relationship with the press. Public Relations are helpful for Hutch image. Every time when Hutch have PR events Hutch must set every thing perfect especially for messages that Hutch wants to give them.

Press Conference

We will give the press information about the strategy and the goals of the products or service.

The Promotion Packages

Hutch Xplore. It is simple for everyone who just starts to explore the multimedia world "the world inside Hutch." Xplore is a smart and economical way to let customers start the different experience. Come and feel Hutch.

Hutch Xtra. The affordable alternative for everyone who wants to enjoy both multimedia information and conversation. If customers are wise persons who like the extra value deal in both multimedia and call, Hutch Xtra is for them.

Hutch Xtreme. If customers are heavy users who are glued to multimedia world while on the go and want a better deal on their calls, Hutch Xtreme is what they are looking for.

Table 4.1. Detail for Hutch's Promotion Packages for Second Year.

List	Packages		
	Hutch Xplore II	Hutch Xtra	Hutch Xtreme
Monthly Charge	900	1,500	2,000
With the following benefits:			
1. View content e.g. Dictionary, fortune, comedy, news, etc.	Unlimited	Unlimited	Unlimited
2. Send Photo Mail, E-mail, M'Card, Stabless, Song4U.	80 times	190 times	300 times
3. Download Ringtone, Wallpaper, Screen Download, Karaoke, Game.	80 times	190 times	300 times
4. Send SMS	100 messages	100 messages	100 messages
5. Call (Charge per second)	300 minutes	2,000 minutes	3,000 minutes
Additional charge applied for usage above The promotional package for Item #2 and #3	20 baht/time	15 baht/time	10 baht/time
The promotional package for Item #4	1.5 baht/message	I baht/message	0.75 baht/message
Additional charge if calls exceed Usage for Item #5	1.5 baht/minute	1 baht/message	0.75 baht/message

* This promotion is valid until December 31, 2004. Upon expiration, you can choose other promotional package available at that time without any status change charging.

63

The advertising and sales promotion budgets for year second to five depend on profit and competitive plan of each year and for other years Hutch promotion packages will depend on situation of the mobile phone marketing but it is still based on customers profits.

V. A SHORT-TERM MARKETING PLAN

Hutch short-term marketing plan covers one-year period. Within this period we will sell all products through Hutch shops and sales booths set up in selected Watson's stores. We planned that the sales-volume is 2,500 million bahts. CDMA services are a plan to upgrade its post offices nationwide to serve as outlets and prepare its 21,800 employees for privatization. The new terms call for the construction of 100 base stations at the cost of 15 billion bahts.

Hutch is a new brand of wireless multimedia service with a strong focus on bringing together a combination of communication, information, and entertainment on wireless devices. Hutch aim to be the leader in wireless multimedia service by delivering the most easy-to-use, relevant, useful, attractive and innovative wireless multimedia service to fulfill people's lives. With this instant information anytime on the move, they believe it will bring the new style of daily life and also remove the barriers of wireless communication that exist today. Wireless experience will no longer be about voice or text but rather colorful images and video.

The figure follows the sales trends of earlier year plus Hutch own judgment. These sales cannot be achieved without the sales promotion and advertising supports that will be presented later in this chapter.

Objectives Define:

(1) To increase Hutch's sales volume up to 300%.

(2) To actively support Hutch products with many promotion.

(3) To improve the market approach of Hutch products catered specifically for Hutch target markets.

Target Market Define:

Hutch's target market segments can be identified into 3 age groups, which are located in Bangkok area including metropolitans, and other capital cities. A multiple-segment strategy will be used to select the target market because Hutch wants to sell their products to all segmentation. Hutch cannot effectively reach to all age groups with the same marketing mix. Hutch will select three segments and develop a separate marketing mix to reach each segment. Hutch's market lines are in 15 — 25, 26 - 40 and over 40 year old. The middle to high-income users is Hutch's market segmentation and which can be separated into 3 groups. First, are mass customers who love to use a new high technology such as mobile-Internet, video clip or screen saver. Second is in telecommunication industry. Third is in information technology (IT) or computer industry.

5.1 Product Strategies

Hutch's principal objective is to become the leading provider of wire free communications services by doing marketing under one brand, which is Hutch. The other operators have separate budgets for several brands, which is sometimes confusing for the market. The new way of mobile communication: having "fun" and "functionality" altogether at the same time. Fun means making things more creative, more attractive, more stylish, more fun, more thoughtful, and more interesting. Functionality means making things tangible, simpler, more useful, more performance, less time consuming, less troublesome, user-friendly, and more efficient.

Hutch combines both fun and functionality together. Now with Hutch's wide range of multimedia services and applications, customers can experience the differences that have never existed before through Hutch's high speed, high quality, and personalized and interactive way of communication.

Customers can see the world in colors from the mobile phone's color display screen, and also explore the excitement through Hutch's multimedia service, it is not just a voice and text communication world but it is the world of colorful images and video.

Customers don't have to select between fun and functionality anymore because it now enables them to have both at the same time.

The strategy is more effective. In term of products and services the following are unique feature of the Hutch strategy plan:

Hutch delivers high-speed multimedia services that combine usefulness and pleasure together at the same time. Life with Hutch is the life that brings together the communication, information, and entertainment anytime in the way that has never been before.

Hutch customers feel to enjoy a convenient and simple lifestyle then they must focus on after-sales service. At Hutch, they must make sure that customers will be treated in a better and special way. Hutch will commit to providing customers with service that can only be described as "Simply Better."

Hutch Services

(1)   Make a change of address.

         To make a change of customer Account Address or Billing Address, Hutch will have "Customer Service Request form" which they can download from the Hutch web site.

(2)   Make a change of name.

         Hutch's customer can infoim of a name change to customer account by filling in the section called "New Name" on the "Customer Service Request form" which customer can download from the Hutch web site.

(3) Change the promotion.

A customer can change to or add a product package item that has come on advertised promotion according to those items specific promotional time period. Simply fill in the "Customer Service Request form" which they can download from the Hutch web site and identify the product item they want to add or delete.

(4) Change of valued added services (VAS)

A customer is able to change or add a Value Added Service (VAS) by filling in the "Customer Service Request form" which they can download from the Hutch web site.

(5) Change of a R-UIM (CDMA2000 1X SIM Card)

The customers can receive a replacement R-UIM (CDMA2000 1X SIM card) at no charge only during the R-UIM warranty period if there is a defect resulting from the R-UIM itself. However, if the defect or problem was caused by the customer's misuse, there will be a charge for the R-UIVI replacement. Customers are invited to contact directly the service personal at any Hutch Shop for assistance.

(6) Second terminal

Customers are invited to request a new or improved handset that would use the current mobile number by contacting the nearest Hutch Shop (Additional charges may be involved.) with their identification card / officer identification card if they are individual or copy of certificate of Entity/ Juristic Person or VAT registration certificate with approval signature and company's seal which is issued no longer than 90 days and a copy of

authorized person's identification card with approval signature and company's seal if they are entity/juristic persons.

If they are a representative of the customer or account owner they may apply on behalf of an account owner by providing a signed power of attorney together with account owner's identification card and its copy with signature.

Warranty and Repair

These warranties cover equipment that may be nonfunctioning within 7 days from the date of purchase and service registration. For repairs to any products that are no longer under warranty a service charge will be applied 350 Baht (excluding the cost of VAT and necessary replacement parts).

The warranty on parts and labor covers the first 90 days after repairs and includes only the repairs related to the original problem.

To make a warranty claim, submit the customer's warranty claim at any Hutch Shop. The Non Functioning Equipment claim can be submitted at any Hutch Shop within 7 days.

Hutch will repair or exchange a new unit for them at no extra charge if the product is found to be faulty due to defective manufacturer parts or is defective resulting from manufacturer workmanship.

Within Warranty Period there will be no extra charge for service or replacement of parts if the product fails to operate under normal user conditions and is diagnosed to be the manufacturers' fault. The Warranty Sticker must be complete and not be found to be removed, defaced or altered. Repair claims can be made only at Hutch Shop.

For equipment past the warranty period a service charge will apply 350 baht per unit and will exclude VAT, accessories and replacement parts. Hutch repair warranties for any out of Warranty Period equipment repairs covers the first 90 days from the date of repair and applies only to the completed repairs covered under the original repair complaint. Repair claims can be made only at a Hutch Shop location in order for Hutch registered technician to check and diagnose the problem effectively.

(8)   Cancellation of Service.

Customers can cancel service by filling in the "Customer Service Request form" which they can download from the Hutch web site.

(9)   Reconnection or Service Renewal.

To reconnect service after customer has had service cancelled and has paid any overdue charges, the customer may be able to request renewal of service by contacting any authorized Hutch Shop.

(10)   Service Renewal.

To renew service after temporarily canceling the service for a specified period, a customer may be able to use the same mobile number that was non-active.

(11)   Requesting Suspended Service.

A Customer is able to request temporary suspended service for a period of time.

(12)   Making Payments. (See in Distribution Strategies)

Hutch Services on Phone

Experience the difference from "Hutch Zone", the world inside Hutch. By just pressing "Hutch Key", the Tri-Star button on Hutch terminal, customer will enter Hutch

Zone, the gateway to the vibrant, expressive, and colorful world inside Hutch that has 3 options includes:

HutchHome

HutchHome is the center of Hutch's information, entertainment and communication services. Once select HutchHome, customers will see 6 colorful icons that represent Hutch highlighted products and other 13 services.

Main Services:

(1)   What's in? Represented in red.

(2)   Ringtone represented in orange.

    Variety of 16 polyphonics and 40 polyphonics ringtone from Hutch e.g. hot hit songs. Customer can also download Hutch regularly updated ringtone. Be trendy in their own style.

(3)   M' Card represented in yellow.

    Electronic card on mobile phone from Hutch. Express the feeling with variety contents for all occasions in multimedia way. Sharing the moments with colorful, vibrant, expressive image, animated picture and sound clips.

(4)   Screen Download represented in green.

    With Hutch "Screen Download", customer can create their own personalized phone style in animated and colorful way no more stilled screen download on their mobile phone.

(5)   News represented in blue.

    Be kept informed of the latest breaking news of the day with different news and information services from the reliable domestic and international news centers.

(6) Movies represented in violet.

View the movie Showtime, movie preview, top box office, and movie abstract, together with movie comment.

Other Service:

(1) HutchCool

A channel for customers to share their inspirations with those they love for happiness on any occasions:

(a)   M'Card

(b)   StarBless

(c)   Song4U

(2) HutchAccessory

A channel to make customers's terminal more fun, colorful and different

(a)   Ringtone

(b)   Screen Download

(c)   Wallpaper

(^{3}) HutchFun

A channel for customers to get fun and entertainment updates, as they desire:

(a)   Movie

(b)   Karaoke

(c)   Comedy

(d)   Fortune Telling (Crystal ball, Tarot card, Horoscope)

(4) Sport on Hutch

A channel for sport lovers. Feel like being in the real matches and instantly get sport news and updates:

(a)   Football - exclusive license from F.A. Premier League

(b)   Golf

(c)   More sports

(5) HutchGame

A channel to navigate the real fun with various styles of exciting games:

(a)   Dino Bomb

(b)   Monster Club

(c)   Hutch Ball

(6) HutchLifestyle

A channel for customers to fulfill their life with fun and trendy lifestyle. Be on their own lifestyle by HutchLifestyle.

(a)   Where2Eat

(b)   Hot discount

(c)   Fashion

(7) News at Hutch

Be kept informed of various topics of news updates and information such as entertainment, economics, sport, local and international news, weather forecast and lottery results from this News at Hutch Channel.

(a)   News

(b)   Weather

(c)   Lottery

(8) **HutchMail**

A channel for customers to check e-mail while they are on the move. There are many features they can choose to save, send and view items from their terminal.

(a)   Create E-mail

(b)   View Inbox

(c)   View All Folders

(d)   View Contacts

(e)   Manage Mailbox

(f)   Check for New mail

(9) **HutchTV**

A channel for customers to watch television while they are on the move. There are 5 channels such as channel 3, 5, 7, 9, itv. They can select a channel that they want.

(10) **Money**

A channel for those who want to keep an update on financial information. Customers can also easily access the financial transaction through available Hutch Money services.

(a)   Bank-BOA

(b)   Bank-BAY

(c)   Financial news

(d)   Stock data

(e)   My Portfolio

(f)   Broker-NATSEC

(g)   PayStation

(h) **M' Wallet**

(11) Dictionary

Like a portable dictionary. Hutch Dictionary helps customers to look up their own words from Thai-English and English-Thai translation anytime on the move.

(12) MyStuff

A channel to store their own information online through Hutch space. Customers can also view them later at anytime from their terminal.

(13) Search

A channel that helps customers search what they want from keywords input. Very user-friendly like they are browsing through the internet. Quickly and easily get what they want by Search function.

(14) Alert manager

A channel that works as their personal organizer. Customers can set the alert system to alert them when there is upcoming news or updates and they can change their alert system setting to turn off or turn on from this Alert Manager.

MyHutch

MyHutch is the shortcut to customer's services and personal information. In MyHutch which is the second menu on Hutch Zone, they can use "HutchMail" functions e.g. View Inbox which will enable them to view all incoming e-mail, voice mail, and fax mail, Create message, and view contact which help them enter the phonebook database connected directly to HutchMail.

They can also use "My Stuff' to keep their personal information online which they can retrieve to view online from their mobile phone at anytime. "Alert Manager" will help them manage the alert settings in Hutch services.

HutchPlay

HutchPlay, the shortcut to customers's preferred fun world. They can store any fun games downloaded from Hutch Game or other program e.g. JAVA application program.

Once they select HutchPlay which is the third menu on Hutch Zone, there will be a list of downloaded games appear on their screen with the navigation button to scroll up or down to play their preferred games at anytime or to delete the game they do not want to play anymore.

5.2 Pricing Strategies

The price of the Hutch's product as follows:

(1) SANYO SCP-550 with its built-in camera and 2 LCD displays is 17,900 bahts.

(2) Samsung SCH-A564 with its built-in camera and special karaoke is 18,900 bahts.

(3) Samsung SCH-A564 with its special karaoke is 16,900 bahts.

(4) Sierra Wireless AirCard 555 with high-speed Internet connection at the data transmission speed up to 153 kbps is 17,900 bahts.

In setting this selling price we also take into the consideration of other factors: competitors, economic condition, customer purchasing power, etc. Therefore, the price may vary from the price structure we have set.

Customers can make monthly payments in many ways as follows:

    (1)   Making cash payment. If customers register as an entity/juristic person, pay by crossed check for A/C Payee Only

    (2)   American Express

    (3)   Visa card

    (4)   Master card

    (5)   Diners club credit card

    (6)   Kasikorn Bank credit card

    (7)   Bangkok Bank credit card

    (8)   Paying cash or debiting from the bank accounts.

The charge is real per-second billing: all calls are charged per second with no minimum call charge.

5.3 Distribution Strategies

Hutch should retain the growth of its market in both central and regional area by employing the combination of both direct and indirect sale. For direct sale, since the beginning Hutch has sold its products and services directly to employees of its cooperation company through several sale promotional campaigns. It should also support indirect distribution with the expansion of distributors/dealers to its network coverage area. There should be at least 2 to 3 dealers in each target area. In selecting the location of the dealer's shop, Hutch will be concentrating their attention on the nature of the population, together with the network coverage area. In most cases, the shops must be located in major department stores, shopping centers or discount stores of major provinces. However, there may be some potential buyers in small provinces that their network cover, so all these provinces should have also 1 dealer. The selective distribution strategy should be particularly adopted. In addition, every Hutch authorized

distributor will have the ability to perform product demonstrations on behalf of the corporation. In addition to those mentioned distribution channel in Defensive distribution strategy, Hutch may add other distribution channels through cyber marketing for selling directly to consumer buyers at retail prices via computer.

In this period, we plan to expand Hutch distributing places to 100 base stations that are located in Bangkok area including metropolitans, and other capital cities.

For customer's convenience, we will increase Hutch shop to 100 shops in this year for service and payment such as follows:

Hutch Shop

Check out where to find customers nearest Hutch Shop and what services that the shop provides.

    (1)   1FCT Tower

    (2)   Central Ladproa

    (3)   United Silom

    (4)   The Mall Bangkapi

    (5)   Tesco - Lotus Bangkapi

    (6)   The Mall 3 Ramkhamhaeng

    (7)   Imperial World Samrong

    (8)   Future Park Bangkae

    (9)   Central Ramindra

Hutch Station

Customer can visit Hutch Station at the following all 34 Watson Stores.

Customers can make monthly payments at the following locations:

    (1)   At any Hutch Shop

    (2)   Paying cash or debiting from the bank accounts at the following banks:

(a)   Kasikom Bank Public Company Limited

(b)   Siam Commercial Bank Public Company Limited

(c)   Bank of Ayudhaya Public Company Limited

(d)   Krung Thai Bank Public Company Limited

(e)   Bangkok Bank Public Company Limited

(3) Post offices (nationwide) Except: branch offices, mobile post offices and temporary post offices.

5.4 Promotion Strategies

Promotion of Hutch Brand both of direct and indirect methods is demonstrated through various advertising medias like television, radio, broadcast, print media and online ads under accountability of related functions in organization as follow:

(1)   Sales and Marketing Department, which determines the strategy and sale products.

(2)   Sales Promotion Department, which arranges campaigns or programs to promote brand

(3)   Dealer department, which manages Hutch's dealers or distributors.

The promotion approaches consist of advertising, personal selling, dealer incentives, sales promotion, etc. With slogan "The Natural Next Step" and the symbol screened Hutch advertisement on diverse media such as television, radio, print media, internet even on their own products with slogan and symbol screened on sky-train in Bangkok, on plates above taxis, on public transportations such as bus, microbus, etc. Also sales personnel must be trained carefully to greet customers, interpret their needs, and handle complaints in the same way. Sales promotion is a key ingredient in marketing campaigns and create promotion programs like introducing Hutch to mass media first before grand opening, create promotion campaign in upcountry where Hutch

expands network and communication system completely. Whereas advertising offers a reason to buy, sales promotion offers an incentive to buy.

Hutch's communication adaptation uses one message everywhere including Hutch under typical concept of Hutch. Hutch's slogan and symbol are utilized to be familiar with people in general. Moreover the advertising focuses on concept of the culture of Thailand and emotion through communication network and service infiltrates gradually through the people's recognition. Eventually "Hutch" is accepted by the public.

The Promotion Packages

The "Hutch Student Gang" Promotion.

The customers are students between the ages of 15-25, get their gang friends together, sign up with Hutch, and receive lots of benefits created just for their gang such as discount 50% for next mobile phone.

Terminal Promotion

Manage customer lifestyle and fulfill them better with Hutch's latest terminal promotion. Free when they buy the SANYO SCP-550 terminal at the promotional price as of 17,900 baht (including 7% VAT), get the 5,000 baht discount voucher for their next purchase of either SANYO SCP-550 terminal or Sierra Wireless AirCard 555.

Terms & Conditions

This voucher can be redeemed only 1 time per 1 voucher for the next purchase of either Sanyo SCP-550 or Sierra Wireless AirCard 555.

(1)   If the voucher is lost, this promotion will be automatically terminated and Hutch reserve the right not to issue a replacement.

(2)   This voucher can not be applied to any other commercial campaigns except 0% TFB installment plan credit card campaign.

(3)   This promotion is subjected to change without advance notice.

(4) This voucher is non-refundable.

Tariff Promotion

Hutch Xplore. It is simple for everyone who just starts to explore the multimedia world "the world inside Hutch."

Xplore is a smart and economical way to let customers start the different experience. Come and feel Hutch.

Hutch Xtra. The affordable alternative for everyone who wants to enjoy both multimedia information and conversation. If customers are wise persons who like the extra value deal in both multimedia and call, Hutch Xtra is for them.

Hutch Xtreme. If customers are heavy users who are glued to multimedia world while on the go and want a better deal on their calls, Hutch Xtreme is what they are looking for.

No matter which Hutch package they choose, they will receive the following privileges:

(1) Unlimited usage on viewing Hutch service contents such as Thai-English Dictionary, Horoscope, Comedy and News.

(2) Free E-mail account and M' Wallet account.

(3) Unlimited usage on viewing E-mail from customer's Hutch Account and other 5 E-mail addresses (Only POP3 email accounts).

(4) Unlimited usage on Hutch Alert service and Search services.

(5) Unlimited usage on using Hutch Banking Service, PayStation, Stock Data, My Portfolio and Broker Service.

(6) Free Mailbox with 8 MB of storage and MyStuff with 8 MB of storage.

(7) Free PIM (Personal Information Management) service.

(8)   The calling charge is based on their customer's actual call by second. No

minimum charge per call.

(9)   Flat rate nationwide from Hutch's service network.

(10)   No Megabyte charge for data usage for all "Hutch Zone" services.

(11)   Now the customers who buy in this year can call in Hutch network for free

of charge.

Table 5.1. Detail for Hutch's Promotion Packages.

List	Packages		
	Hutch Xplore II	Hutch Xtra	Hutch Xtreme
Monthly Charge	800	1,400	1,900
With the following benefits:			
1. View content e.g. Dictionary, fortune, comedy, news, etc.	Unlimited	Unlimited	Unlimited
2. Send Photo Mail, E-mail, M'Card, Stabless, Song4U.	100 times	200 times	300 times
3. Download Ringtone, Wallpaper, Screen Download, Karaoke, Game.	100 times	200 times	300 times
4. Send SMS	100 messages	100 messages	100 messages
5. Call (Charge per second)	300 minutes	2,000 minutes	3,000 minutes
Additional charge applied for usage above			
The promotional package for Item #2 and #3	20 baht/time	15 baht/time	10 baht/time
The promotional package for Item #4	1.5 baht/message	1 baht/message	0.75 baht/message
Additional charge if calls exceed			
Usage for Item #5	1.5 baht/minute	1 baht/message	0.75 baht/message

* This promotion is valid until December 31, 2003. Upon expiration, you can choose other promotional

package available at that time without any status change charging.

POS Support Material

(1)   News Folder: To inform customer about the Hutch's phones and services,

Hutch will offer a new style of Customer Folder that they call News Folder.

The News Folder will have the appropriate size of A4 and will be folded to

a handy size that include some leaflet.

(2)   Paper Bag: The paper bag with Hutch logo and symbol can be used to

decorate a Hutch shop. It can also be given to customers when they bought

Hutch's products. This cute bag can be reused. Each time a customer uses it, it will remind them about Hutch.

Premium Products

These are products that Hutch designed for sell in Hutch shop. It can help to remind Hutch name or logo and can be used to decorate Hutch shop. The product as follows:

(1)   Hat

(2)   Note pad

(3)   T-Shirt

(4)   Shirt

(5)   Bunch of keys

(6)   Note book

(7)   Umbrella

(8)   Pen

(9)   Watch

Sales Person

Sales Person Motivation: Sales person will be trained on product knowledge and sales technique. They will be very confident about the products. Apart form sales commission, the sales person with good performance will be praised out loud so that everybody can know their good performance is recognized. The bad performance must also be concerned. The sales person with bad performance will be discussed privately with the sales manager to find the cause of the problem.

Advertising Strategy

The objective of the advertising is to introduce new products and capability of products to target groups. It is also to get the attention of the customer and bring them to the shops.

After we know all the criteria, we then select a medium and the messages of the advertising. We use advertising continuous planning because this year is the opening of Hutch then we much stress for branding, customer awareness, trust, and knowledge.

Since newspapers don't offer much format variety, it is difficult to design ads that stand out. The life of newspapers is very short they are discarded soon after being read. Hutch target group is a newspaper reader and the newspaper is best for the mass market. We will spend 10,000,000 bahts in newspapers.

Television is another medium to consider. It combines motion, sound, and special visual effects. It is important for Hutch's product because the technology of product must be presented and customers must have knowledge to use it. The cost of TV ads is very high but Hutch will use TV ads as well. Hutch will spend 300,000,000 bahts, for a year in television.

Radio makes only an audio impression, relying entirely on the listener's ability to retain information heard and not seen. These advertising must be awareness of Hutch's name to the target group. Hutch will spend 200,000 bahts per month in radio.

Billboard is one of the medias that Hutch uses because it is best for the mass market. Even though billboard is a large size it is appropriate for short messages so Hutch just present Hutch's name, logo, and symbol only. Hutch will spend 2,000,000 bahts per month for a year in billboards.

Magazines are the medium Hutch will use. Hutch wants their high-quality printing and color to be seen by their target group. Magazines can reach a national market at a

relatively low cost per reader. Through special-interest magazines or regional editions of general-interest magazines, their ads can reach a selected audience with a minimum of circulation. Magazines are usually read in leisurely fashion of the technology, in contrast to the haste in which other print media are read. This feature is especially valuable to us with a complicated message. Magazines have a relatively long life, anywhere from a week to a month, and a high pass-along readership. The magazines are BrandAge, First mobile, and other fashion magazines. These magazines' target group and Hutch target group are very similar. Hutch will spend 300,000 bahts per month in magazines.

Sky train advertising will also be used. The image of sky train, modem and trendy, fits Hutch products. Hutch target will use this transportation. Customers will remember Hutch name. When they design to buy mobile phone, Hutch will the one they recognize. Hutch will spend 150,000 bahts per month for a year in sky train.

The line communication such as direct mail, leaflet, folder, booklet, and etc. are useful to help Hutch promotion plan to successes. Hutch will spend 31,000,000 for a year.

Events

We think events are most essential to introduce period because Hutch customers and Hutch staffs can meet together and they can present Hutch's product that customers want to know. Hutch will collect data about the customers from the events that are important for the new brand strategies. Hutch will spend 400,000-2,000,000 bahts per month in events.

Public Relations

PR creates a dialogue with and within the dialogue group, mainly with the press. This dialogue is a long-term permanent affair worth investing not just time and know-

how but also perpetual friendliness and respectability. Inquiries from journalists take top priority in daily operations. Absolute reliability is therefore a must and applies in information as well as agreements. More than big and time-consuming events, Hutch will stress the importance of the personal relationship with the press. Important information can best be communicated in a dialogue. Good preparation for complex and sometimes unpleasant questions is also a must. A good preparation is therefore essential for every meeting with the press. Hutch will spend 70,000 bahts per month all of a year in public relation.

Hutch quality standards must be signalized every step of the way, from the mailing of a simple press release to more spectacular events. The order of copies and photo materials of the press releases supplied by the headquarters will be followed. This will guarantee the uniformity of the international corporate identity.

We all know: Corporate PR begins at home. Well-informed employees are good and responsible colleagues and co-operators. (Every employee is an important ambassador for the company.)

Press Conference

Hutch will organize one conference for the products. Hutch will first give the press precise information about the strategy and the goals of the products. Hutch will then show them and have them experience the whole range. Hutch will spend 50,000 bahts per time in public relation.

Online Promotion Strategy

With the booming of E-commerce, it becomes more and more important media that Hutch should recognize the new alternative strategy. The effectiveness of each promotional method is in generating traffics, generating sales and creating web site

images, what the segment structure of online promotion market is based on Promotional activities. Hutch will spend 100,000 bahts per month in online promotion.

In Online Promotion, there are seven segments based on their promotional activities:

    (1)   Offline segment

    (2)   Promotion Inactive segment

    (3)   Search Engine segment

    (4)   Link Exchange segment

    (5)   Banner AD segment

    (6)   Offline & News Release segment

    (7)   Search Engine & Unsolicited Email segment.

The promotional methods included in segmentation analysis are:

    (1)   Professional search engine submission

    (2)   Newsgroup post

    (3)   Mailing list post

    (4)   Professional news release

    (5)   Online banner advertising

    (6)   Solicited email promotion

    (7)   Unsolicited email promotion

    (8)   Offline promotion

    (9)   Mailing list sponsorship

    (10) Link exchange program.

The media campaign during the launch will focus on the technology of Hutch's product. With advertising, Hutch will present products, technology of it, and Hutch's brand.

Since we claim that Hutch products are of best quality, and that quality originates from the high technology, CDMA, Hutch will include that theme in the advertising. Hutch will come out with the picture of the high technology that brings the world in their hand.

Because Hutch does not have own advertising department, we will use outside advertising agency to help in developing advertising. They will benefit from their experience gained from other products and clients. The advertising and sales promotion budget for the year 2003 is 380 million bahts.

Scheduling of Media Advertising and Public Relation Promotions.

Activities	ti	TO W 4-4		P4		ti ▼		.(C	in W CI)	H U O	Q	U Q
Newspapers	X	X	X	X	X	X					X	X
Televisions	X	X	X	X	X	X	X	X	X	X	m	X
Radios	X	X	X	X	X	X	X		X	X	X	X
TF Pat. O	X		X	X	X	X	X	X	X	X	X	X
Magazines	X	X	X	X	X			X			X	X
Sky Train	X	X	X	X	X	X	X	X	X	X	X	X
Events	X	X	X	X	X	X	X	X		X	X	X
Public Relation	X		X	X	X	X	X	X	X	X	X	X
Press Conferences	X		X						X			X
Online Promotion	X	X			X	X		X	X			
Below the line	X	X	X	X	X	X	X	X	X	X	X	X

VI. EVALUATION OF MARKETING PLAN

6.1 Evaluation Plan

After the marketing plans and budgets have been developed, the marketing and sales people will carry out the work according to the plans. Each month, a report has to be made to summarize previous month's sales figure. Hutch's first year monthly report will separate products sales so that the marketer will know the amount of money each group of products generates.

Second, the monthly report will also show the budget, or the expected sales of the product so that the marketer can compare the actual and expected sales. Hutch will then find out the reason for any deviation of actual sales from expected sales. Then Hutch will find the reason for it. Hutch does not think that the plan will fluctuate much because the expected sales are very realistic.

In the second year of sales, Hutch will not only compare the monthly actual sales figure with the budget but also compare the actual sales figure with the previous year's sales. This way Hutch has a clear picture of what is going on with the sales of Hutch's products.

Premium and other special activities will be summarized in the report so that the marketer can have a clear picture of the reasons for sales increases or decreases.

Every quarter, a quarterly report will be prepared. This report will summarize what is going on in that quarter. This report is especially important when the sales are much lower than we expected. When sales drop, Hutch will have to brainstorm to find out the cause of the drop in sales and also find the way, in their case, promotion and advertising, to improve the sales so that the yearly sales will be according to their budget.

After the first 6 months have passed, Hutch will also make another report to adjust the sales figure and advertising and promotion budget to make the figure more realistic. After that Hutch can prepare the budget for the next year.

6.2 Contingency Plan

Even though we think that this plan will work perfectly well, we still need to have a backup plan. Two main areas that need back up plans are on promotional and advertising activities.

For sale persons, they cannot start selling products right away; they need training After they receive the training, they will have the sales target that will increase gradually. We have to make sure that the cost of having additional sales representatives will not exceed the benefit of having them. Instead of giving commission to only Hutch sales representatives, they might give commission in level like those multi-level marketing's do. However, if this strategy is needed to be done, further investigation must be taken to fully gain the benefits of it.

When the promotion and advertising activities go wrong, we are confident that we will find the mistake and react accordingly. We can pull the budget from other sources to input in the problem area. Some of the places we can decide ahead for the back up plan are advertising, sales commission, and premium.

For television advertising, it is suitable for target group. The particular of it can possibly change throughout the marketing plan.

Public Relation is suitable to support Hutch image when Hutch does something wrong. Hutch can give a press release to a reporter; then they will report it in their news.

If Hutch finds that the sales commission is not attractive enough to motivate the sales representatives, they can change the commission scheme. For example, instead of

a flat commission rate for each unit sold, they might set the target and only if the sales representatives reach the target, they will get a larger commission rate.

In case of premiums, Hutch competitors already offer if they find that some of the premiums they offer to their customer, they might not want to use similar items again. Hutch will change the premium in a different way; they have learned from past experience what customer always like. The only reason they don't use them a lot is because it is twice as expensive as the regular premium.

The budget of contingency plan Hutch will prepare 10% of budget of this planning. It means around 38 million bahts.

VII. CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

This marketing plan is made to help increase the sales of mobile phone products under Hutch brand. Hutchison has a significant interest in Hutchison CAT Wireless Multimedia ("Hutchison Wireless") (formerly Tawan Mobile Telecom Company), a joint venture with the Communications Authority of Thailand ("CAT"), which has been granted a marketing service agreement from the CAT to provide marketing service for 800 MHz CDMA cellular services.

We start this plan by finding out the problems with Hutch brand or the possible ways to increase the sales volume higher than we expected. Hutch brand awareness is the first problem, as Thailand GSM is a well-known system with a large market share but CDMA is directly opposite. The second problem is lack of base station and service shop.

After we find out their problem we come up with marketing plans for solving their problem. As we know now in Thailand, GSM operators are AIS, DTAC, and Orange who possess are large market shares in mobile industry and Thai customers have a good knowledge and satisfy with those systems. Therefore we let and expand to make the target groups know about Hutch and know-how about CDMA technologies. Then we will use a short-term planning to solve the problem by advertising and make some promotions. The advertising and promotion concept are the making acknowledge for Hutch's target groups about what is Hutch, how they can use Hutch and why Hutch is appropriate for them. For promotion, we will use it to make activities with Hutch customers for best relations in future and increase sales volume as we expected. Second, as we know Hutch is very new for Thai mobile phone markets and Hutch have few base

stations and Hutch shops. This is a big problem for Hutch service so we will expand it as fastest as possible as we expected in this plan.

In second to fifth year we plan to increase base stations and Hutch shops following short-term planning All products of Hutch will be sold and the customer can buy the product and service in their convenience location. With the helpfulness and support of well-trained sales representatives, the customer will find it easy to buy Hutch products.

The distribution channel will increase from 100 to 1,000 base stations and from 100 to 600 shops. With more distribution channels, the customer will find it more convenient to purchase the Hutch products. For this plan it will increase a change for customers to switch and change the brand because Hutch system will expand the network to cover all areas that they can use and make them convenient when they use the service at Hutch shop.

We will use advertising and sales promotion in the second, third, fourth, and fifth years respectively. We are quite confident that customers understood Hutch service and technologies. We will use the advertising for just Hutch brand for customer's awareness, trustworthy, and thinking of Hutch when they want to buy mobile phones.

After the plan is implemented, we will evaluate the plan judging from the sales volume on a monthly basis. If the actual sales volume is lower than the budget then we will find out the cause of the deviation and find the solution for it immediately.

If the plan is not successful and we have done everything we could, we must use the back up plan or contingency plan to support it. After further research, we will use advertising and promotion that we prepared for solving that problem.

7.2 Recommendations

Faced with a future of free market competition, growing demand for cellular telephones has evidently taken place in Thailand during this present day, prompting to seek wiser marketing techniques to beat competitors amid the fiercely competitive market. Competition in the mobile phone market in the future has picked up steam, with service providers actively launching various marketing promotions, in particular offering free calls, either with conditions or without. Credit sales turn out to be another option for lower purchasing power of customers rapid development of information technology is still progressing, and in the turn of the new century the market for cellular telephones in Thailand will be highly competitive. Pre-paid mobile phones are expected to seize more market shares, while the personal cordless telephone (PCT) will also pose as a main threat to existing technology. These developments will prompt to Hutch to actively adjust their marketing strategies to be consistent with the emerging Internet and e-commerce technologies in the world market. Emphasis will be shifted away from free-call promotions to these kinds of services, including e-banking and other services.

Competition in the mobile phone market should continue to be keen in the future, with the rollover of successful sales promotions from now on. Promotions include discount prices for trading in old handsets for new ones, cut price calls, lower monthly fees and competitively priced handsets. Moreover, the government recently announced the transformation of the mobile phone and PCT business into a contract-controlled business, which means that subscribers will be able to ask for detailed receipts so as to examine service expenses, and cell phone services will be more transparent.

As the temperature is going up in the cellular market, Hutch should have to find all marketing strategies possible to counter a new operator to be launched in the future, each will be actively launching various marketing promotion campaigns to attract

customers. Mobile Internet through the CDMA system, short messaging services, etc., are among potentially popular new services being offered to users. In addition, networks are continuously being expanded to cope with the growing demand in mobile phone market. Also price promotions with or without free-call limits, which used to be the main marketing tool became less important. Though the number of cellular subscribers has jumped significantly higher, the average revenue per number has tended to decline. They should step up expansion of their market base to reduce their average cost per number, while providing other services to gain revenue and offset income lost from promotion expenses. The new players joining the hot market may have a difficult time, due to the customer base expansion of the existing operators. In making their debut, the newcomers must prepare themselves by seriously taking into account service and network quality, competitive prices in handsets, sales distribution and sale promotions; otherwise, it will not be easy to grasp market share from established operators.

BIBLIOGRAPHY

1   Cravens, David W. Strategic Managing. USA: Irwin, 1997.

2.   Dibb Sally, Lyndon Simkin, and John Bradley. The Marketing Planning New
       York: Routledge, 1996.

3.   Kotler, Philip. Marketing Management. New Jersey: Prentice Hall, 2003.